Internal Revenue Service

PART I

Electronic Return
File Specifications for
Individual Income Tax

TAX YEAR 2003

W&I, Submission Processing,
Individual Electronic Filing &
Information Systems Electronic Filing Section
August 29, 2003

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INTRODUCTION

This publication outlines the communications procedures, transmission formats, character sets, validation criteria, and error reject conditions for individual income tax returns filed electronically via telephone lines to participating Internal Revenue Service Centers. Also covered are the formats for statement records, examples of types of records, and explanations of the acknowledgment files transmitted to electronic filers.

The File Specifications (Part I) must be used in conjunction with the Record Layouts (Part II) and the corresponding version of the Handbook for Electronic Return Originators of Individual Income Tax Returns, Publication 1345. Software developers and transmitters should use both publications and must transmit test returns from the IRS developed Test Package for Electronic Filers of Individual Income Tax Returns, Publication 1436, which is revised yearly. Tax preparers who use a transmission service will need only Publication 1345.

Publication 1345, Publication 1346, and Publication 1436 are mailed automatically to applicants as appropriate, based on their intended participation. You may also call 1-800-829-3676 for additional copies of publications.

This publication and its updates are also available on the Digital Daily web site at www.irs.gov. In addition, they are available on the Electronic Filing System Bulletin Board System. The Electronic Filing Bulletin Board System (EFSBBS) operates seven days a week. The system is unavailable at 4:00 a.m. Eastern Time for about 30-60 minutes for maintenance. This system provides general Electronic Filing Program information as well as specific information concerning changes to this and other publications.

Filers using an asynchronous modem (14.4 Kbps or less) and communication software can access the bulletin board by dialing:

                        859-292-0137

The communication software should have the following protocol:
Full Duplex, No Parity, 8 Data Bits, and 1 Stop Bit.

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HIGHLIGHTS FOR TAX YEAR 2003

New Form(s)/Schedule(s)

Six additional forms and three new records will be accepted for Electronic Filing for Tax Year 2003:

Form 8860 - Qualified Zone Academy Bond Credit

Form 8873 – Extraterritorial Income Exclusion

Form 8874 - New Markets Credit

Form 8881 - Credit for Small Employer Pension Plan Startup Costs

Form 8882 - Credit for Employer-Provided Child Care Facilities and Services

Form 8884 - New York Liberty Zone Business Employee Credit

e-file Submission Processing Center Changes

For processing year 2004, the e-file campuses are now referenced as "Submission Processing Centers". Ogden and Cincinnati will no longer process Individual tax returns such as 1040 family.

- For Individual Tax Returns and Electronic Tax Documents (ETDs), Cincinnati and Ogden submission processing centers will no longer be processing sites. They are replaced by Kansas City and Philadelphia.

- Allowable site designators for IMF Submission Processing Centers will be Andover (C), Austin (E), Kansas City (F), Memphis (D) and Philadelphia (G).

- New centralized toll-free number for the e-Help desk. The number is 1-866-255-0654 and became operational on June 2, 2003.

- Call the new 800 number when ready to transmit test and production files to obtain transmission phone line number.

- See transmission chart in Section 1, Data Communication to determine where to transmit.

Front-End Processing Subsystem

- New Communication Error Messages regarding VIRUS DETECTED AND INVALID FORM TYPE FOR THIS EMS PROCESSING SITE

- Modified Communication Error Message regarding INVALID SITE DESIGNATOR

Foreign Returns

Foreign returns will be transmitted directly to the Philadelphia Submission Processing Center for processing year 2004.

Foreign Address Returns and Returns Containing Forms 2555/2555-EZ

Philadelphia site designator G will be used for foreign address returns and returns containing Forms 2555/2555-EZ. If a related Form 8453 is required, the completed and signed Form 8453 should be mailed to Austin Submission Processing Center.

Online Filing Changes
In filing season 2004, a number of changes to strengthen the IRS's ability to prevent online filing fraud and to accommodate industry practices are planned. These changes involve adding a new "IP Time Zone" field, using an invalid IP address for PATS, increasing the length of the "IP Address" field, rejecting online returns when any of the IP fields are missing or the IP address is invalid, sending an acknowledgement when the IP address is reserved, and creating three other new fields, "IP Routing Transit Number", "IP Depositor Account Number" and IP Email Address".

Practitioner PIN method (ETD only)
The Practitioner PIN method will be available for processing year 2004 when filing an ETD Form 4868, Applications for Automatic Extension of Time to File.

- New Jurat/Disclosure Code E
- Revisions – Error Reject Codes 0697 and 0698

State-Only
A PIN cannot be used with a State Only Return because the "State Only 1040" does not capture the AGI and DOB. However, an 8453 is not required for State Only returns. A new value of "4" for the PIN Presence Indicator on the ACK Record will indicate State Only, No PIN and 8453 or 8453-OL is required.

The Submission Processing Centers have been realigned. Cincinnati and Ogden Service Centers are BMF sites. IMF Returns will be transmitted to the following Service Centers:

Home Service Center	Transmit Site	States Supported
Andover	Austin	CT DC DE MD NJ NY PA RI VA VT
Austin	Austin	IA IL KS MO NM OK WI
Kansas City	Tennessee	IN KY MI OH SC WV
Memphis	Tennessee	AL AR GA LA MS NC
Philadelphia	Austin	AZ CO HI ID MT ND NE OR UT

State Only e-file returns with Foreign Addresses
State Only e-file returns with Foreign Addresses, including the U.S. possessions of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands will be processed at the Philadelphia Submission Processing Center.

Form W-2 and W-2GU
A Corrected W-2 (SEQ 0010) and Corrected W-2GU (SEQ 0010) literal has been added to the electronic record layout of Forms W-2 and W-2GU. These literals should be checked when a taxpayer's original return includes corrected figures from a Form W-2C. EROs will enter only the correct figures from Form W-2C with the other information from Form W-2 on the appropriate electronic record of the original return.

HIGHLIGHTS FOR TAX YEAR 2003 (continued)

Form 1040/1040A
Error Reject Codes 0370 (Child Tax Credit) and 0204 (Earned Income Credit) was revised to delete the Date of Birth check of January 01 relating to "Attainment of Age". The Birthday Rule applies; a taxpayer has turned their age on their birthday.

Archer MSA deduction, Line 27 was deleted from Form 1040. The deduction for Archer MSA is now a write-in entry. For additional information, review SEQ 0274 and SEQ 0725 of the Record Layout for Form 1040.

Year Spouse Died (SEQ 0155) was deleted from Forms 1040 and 1040A.

New lines were added to Form 1040, Line 9b, Qualified Dividends (SEQ 0396) and Line 13b, 15% Rate Capital Gain Distributions SEQ 0455).

New lines were added to the Record Layout (SEQ 1262 and SEQ 1263) for Direct Deposit.

Schedule EIC – Year of Birth (SEQ 0020 and 0090) were deleted from the schedule.

Form 1310 – Decedent Returns
Significant changes have been made to e-file processing of decedent returns for TY 2003. A Surviving Spouse (SEQ 1325) and Personal Representative (SEQ 1326) literal of Forms 1040/A/EZ has been added to the electronic record layout of Forms 1040/A/EZ. Error Reject Code 1015 was revised for TY 2003 and only applies to a Surviving Spouse. Error Reject Code 1019 was created and only applies to a Personal Representative. See Attachment 1 for the Error Reject Codes.

The literal "DECD" is required on every e-filed decedent return in Name Line 1 (SEQ 0060) of Forms 1040/A/EZ. This literal is included in the 35-character byte count for Name Line 1. Three new Error Reject Codes were created to help in providing the correct format used in Name Line 1 for the literal "DECD". These new Error Reject Codes are 1035, 1037 and 1038. Examples of Name Line 1 format for decedent returns are shown in Section 7.02(6). For detailed explanation of these Error Reject Codes see Attachment 1.

Error Reject Code 1014 was revised to specifically require a separate Form 1310 for each deceased taxpayer when there is a married filing joint return and a refund is due. Error Reject Code 1004 was revised to match the Date of Death (SEQ 0030) on Form 1310 against the Date of Death (SEQ 0020 and/or SEQ 0040) of Forms 1040/A/EZ. Error Reject Code 1036 was created to validate the Name of Person Claiming Refund (SEQ 0060) on Form 1310 against Name Line 2 (SEQ 0070) of Forms 1040/A/EZ. See Attachment 1 for the Error Reject Codes.

The special character % (percent) was added to the electronic record layout for Form 1310, Name of Person Claiming Refund (SEQ 0060) to match the special characters allowed on Name Line 2 (SEQ 0070) of Forms 1040/A/EZ.

HIGHLIGHTS FOR TAX YEAR 2003 (continued)

Form 8453

An Authorized IRS *e-file* provider must submit Form(s) 8453 within three business days after receipt of the acknowledgment file. An electronically submitted tax return is not considered filed until IRS receives a complete and signed Form 8453. Your failure to comply with this requirement may result in suspension from the IRS *e-file* program.

These instructions do not apply to tax returns filed using electronic signatures such as Self-Select PIN or Practitioner PIN. The PIN Presence Indicator field (0065) in the Acknowledgment Key Record indicates if the electronic signature was received by IRS or if Form 8453 is required.

Form 8582 – Passive Activity Loss Limitations

If you are required to file two or more copies of Worksheet 4 and/or Worksheet 7, enter "STMbnn" in the appropriate fields (SEQ 1560 for Worksheet 4 and SEQ 2458 for Worksheet 7) and enter all information in the Statement Records. Identify the appropriate line references (the Name of Activity field can be used for this purpose) when beginning additional worksheets.

Editorial Changes

Changes made for Tax Year 200**3** are noted by a single vertical bar in the |
right margin (|). Deletions are noted by a hyphen followed by a single
vertical bar (-|).

An attempt was made to include as many changes as possible before publication.
Any changes made after publication will be posted to the Electronic Filing
Bulletin Board System.

**Part II of Publication 1346 contains the Electronic Returns Record Layouts |
for Individual Income Tax Returns.** |

Part III of Publication 1346 contains Electronic Transmitted Documents (ETD)
File Specifications and Record Layouts.

<u>Comments and Suggestions</u>

Please send any comments or suggestions regarding Sections 1-3 to:

Internal Revenue Service
Yudeckia Brothers, W:CAS:SP:IEF:P, NCFB C4-173
5000 Ellin Road
Lanham, MD 20706

Please send any comments or suggestions regarding Section 12 of Part I to:

Internal Revenue Service
Federal/State Electronic Filing Program
Joyce Colbert, W:CAS:SP:IEF:P, NCFB C4-245
5000 Ellin Road
Lanham, MD 20706

Please send any comments or suggestions regarding Section 13
(Sub-sections .01, .02, .03, .04, and .09) of Part I to:

Internal Revenue Service
Teara Mitchell, W:CAS:SP:IEF:P, NCFB C4-262
5000 Ellin Road
Lanham, MD 20706

Please send any comments or suggestions regarding Section 13
(Sub-sections .05, .06, .07, .08) of Part I to:

Internal Revenue Service
Carol Brauzer, W:CAS:SP:IEF:R, NCFB C5-121
5000 Ellin Road
Lanham, MD 20706

Please send any comments or suggestions regarding the Publication 1346
(except for Sections 1, 2, 3, 12, and 13) to:

Internal Revenue Service
Trena Moody, W:CAS:SP:IEF:P, NCFB C5-423
5000 Ellin Road
Lanham, MD 20706

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Section 1 – Data Communication

Electronic Filers will transmit over the Public Switched Telephone Network to the Submission Processing Center in Austin, TX or to the Tennessee Computing Center in Memphis.

The following transmission rules apply: |

Processing for 1040 *e-file* in 2004 |
Tax Year 2003 |

If Fed/State or State-only return and … **a. State Return included is for:** **If Fed return and …** a. ERO business location is in: **-or-** b. Online taxpayer address per Federal return is in:	**Return Transmission** **Site Designator**	**Error Resolution System** **Correspondence**	**e-Help *Desk* 1-866-255-0654** **Send Forms 8453/8453-OL to:**
Foreign addresses, U.S. possessions, returns containing Forms 2555/2555-EZ ——— Alaska, **Arizona**, California, **Colorado**, **Hawaii**, **Idaho**, **Montana**, **Nebraska**, Nevada, **North Dakota**, **Oregon**, South Dakota, **Utah**, Washington, Wyoming	**G** – Philadelphia	Kansas City	Austin
Alabama, **Arkansas**, **Georgia**, **Louisiana**, **Mississippi**, **North Carolina**, Tennessee	**D** – Memphis	Memphis	Memphis
Connecticut, **Delaware**, **District of Columbia**, Maine, **Maryland**, Massachusetts, New Hampshire, **New Jersey**, **New York**, **Pennsylvania**, **Rhode Island**, **Vermont**, **Virginia**	**C** – Andover	Andover	Andover
Florida, **Indiana**, **Kentucky**, **Michigan**, **Ohio**, **South Carolina**, **West Virginia**	**F** – Kansas City	Kansas City	Andover
Illinois, **Iowa**, **Kansas**, Minnesota, **Missouri**, **New Mexico**, **Oklahoma**, Texas, **Wisconsin**	**E** – Austin	Austin	Austin

*Fed/State Participants are shown in bolded text.

Section 1 – Data Communication

After pre-processing on the FEPS, the returns will be routed to their appropriate UNISYS machines at Martinsburg or Tennessee Computing Centers. Returns will continue to be numbered and owned by the original home service centers. Returns are not to be transmitted as if they were AUS**P**C or MS**P**C EFINs or ETINs, unless they should belong to AUS**P**C or MS**P**C since this will cause delays in processing and workload imbalances. All inquiries regarding transmission, rejects, problems, and PATS should be directed to ANS**P**C, AUS**P**C, or MS**P**C as appropriate, **by calling the toll-free e-Help Desk number at 1-866-255-0654.**

NOTE: Transmitters who **elect to use high-speed lines or** expect to handle a large volume of electronic returns may request to lease their own dedicated line(s) at either AUS**P**C or TCC. They must arrange to lease and install the lines and purchase modems at both ends. They may also purchase equipment to use one of the high-speed transfer protocols, such as FTP, on 56kbs or ISDN lines at either AUS**P**C or TCC. For more information and approval, contact:

> Internal Revenue Service
> ATTN: Darryl Giles
> EMS Development Section M:I:SD:SP:EI:EM
> NCFB A5-357
> 5000 Ellin Rd.
> Lanham, MD 20706

NOTE: **The FEPS uses a menu driven interface**. The IRS systems are designed to handle large volume transmissions. The practice of transmitting many small batches saturates the indices and degrades the systems. Dial-up transmitters should file no more than 500 returns per transmission, **unless they are** using ZMODEM with Checkpoint/Restart, **in which case they can file up to 10,000** per transmission. If fewer than 500 returns are to be transmitted, **it is recommended** these returns be filed not more than once per drain.

Dedicated, leased line transmitters may file up to 10,000 returns per transmission (Return Sequence Numbers 0000-9999)**; if fewer** than 10,000 returns, the IRS recommends filing once per drain. Peak filing occurs around the "drain" times, which are posted on the Electronic Filing Bulletin Board System.

<div align="center">

(859) 292-0137 – **<u>not</u>** a toll-free call

</div>

Section 1 - Data Communications

.01   IRS Front-end Processing Subsystem (FEPS)

 1. <u>Asynchronous (Async) Communications Specifications</u>
     The FEPS support the following:

     a. <u>Line Speeds</u>
        28,800 – 56,000 bps (**28.8** – 56 kbps) |

        Note: IRS recommends the fastest speed possible to reduce
        transmission times and costs.   -|

     b. <u>Modems</u>
        All <u>Dial-up</u> modems must be compatible with V.34 (28.8 and 33.6 kbps)
        or <u>V.90</u> (56 kbps) standards. All <u>leased-line</u> async modems must be
        the same at both the IRS and the transmitter sites.

     c. <u>File Transfer Protocols</u>
        (1) FTP (with special permission – see note above)
        (2) XMODEM–CRC   -|
        (3) XMODEM Checksum
        (4) XMODEM–1K
        (5) YMODEM–Batch
        (6) ZMODEM   -|

        Transmitters may use any telecommunications software that is
        compatible with the above file transfer protocols.

     d. <u>Character Codes</u>
        American Standard Code for Information Interchange (ASCII)

     e. <u>Industry Standards</u>
        (1) Data
            (a) Industry Standard 103
            (b) Industry Standard 212A
            (c) ITU-T V.22
            (d) ITU-T V.22 bis
            (e) ITU-T V.32
            (f) ITU-T V.32 bis
            (g) ITU-T V.34
            (h) ITU-T.V.90
        (2) Error Control
            ITU-T V.42
            MNP 2–4
        (3) Data Compression
            (a) ITU-T V.42 bis
            (b) MNP 5

            NOTE: IRS does offer ZMODEM data compression.

        (4) File Compression
            COMPRESS
            GZIP (Freeware available from www.gzip.org)
        (5) Duplex
            New communication software usually defaults to full duplex, but
            older software may prompt for duplex, in which case, you should
            respond with "full".

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

2. Trading Partner/Transmitter Interface (TPI)

The Trading Partner/Transmitter Interface (TPI) of the Front-End
Processing Subsystem (FEPS) has two components: the Operating System
Interface (OSI) and the Electronic Filing Systems Interface (EFSI). The
OSI and EFSI prompts and messages are in upper/lower case. **The delete
key (if the TP's terminal emulation software sends X'7F') or
simultaneously entering the Control ("Ctrl") and Backspace keys** may
be used to correct a mistake while entering the login identification
and password, (OSI interface). After successful login, the transmitter
can use the Backspace key (also generated by simultaneously entering
the Control ("Ctrl") and "h" keys), (EFSI interface). All responses
may be in upper or lower case EXCEPT the **login identification and
password**, which are case-sensitive and and must be entered with the
exact case as it appears in the letter with your password and in the
Transmitters Profile DataBase (TPDB).

All responses are echoed back except the password. On default prompts,
the cursor will be to the right of the **colon and blank** (": ").

3. Transmitter Profile DataBase (TPDB)

The Transmitter Profile DataBase (TPDB) keeps track of the sequence
number for the ETIN to date. The sequence number is in the
Acknowledgment Reference File Name on the FEPS. The Acknowledgment
Reference File Name is composed of MMDDnnnn. The 4-digit sequence number
represents the number of the transmissions to date for that ETIN. The
Acknowledgment Reference File Name as well as ETIN, Julian Day and
2-digit sequence number for the Julian Day, and FEPS-assigned Global
Transaction Key (GTX Key) are linked to your acknowledgment files and
can be searched by the Help Desk Staff to research the status of a
transmission.

4. Asynchronous Communications Transmitter Interface

After dialing the assigned telephone number to the FEPS, the transmitter
must first enter the carriage return <cr> character, which typically can
be generated by simultaneously entering the Control ("Ctrl") and **"m"**
keys. This alerts the Operating System to transmit an ASCII login
prompt.

NOTE: Turn off call waiting (*70) before logging onto the FEPS to avoid
aborted sessions. **(Check with your phone company to verify use of *70
to disable call waiting)**.

5. Examples

In the examples below, boldface text indicates information sent by the
transmitter. The system will echo transmitter input and send a carriage
return "**<cr>**", followed by line feed "**<lf>**" after receipt of a "**<cr>**"
from the transmitter.

Section 1 - Data Communications

.01 <u>IRS Front-end Processing Subsystem (FEPS) continued</u>

6. <u>Suspended Transmitter</u>

A suspended transmitter will be allowed to log into EMS to continue to receive acknowledgments, but will not be allowed to transmit. If the TP has been suspended, he/she will not be allowed to transmit new files. After receiving acknowledgment files, the TP will not receive the "Do you want to send a file?" prompt. Instead the message "SUSPENDED TRANSMITTER/ETIN" will be displayed, and the TP will be disconnected from EMS.

7. <u>Virus Detection Procedures for e-filed Transmissions for Trading Partners</u>

a. Beginning with participants testing in 2003, the Front-End Processing System (FEPS) will scan <u>every</u> transmission.

b. If a virus is detected, FEPS will quarantine the file and immediately put a <u>transmission</u> Suspend Indicator on the Trading Partner (TP)'s profile.

c. While online, the TP (transmitter) will see "SUSPENDED", but will be permitted to pick up Acknowledgment Files.

d. The FEPS will create a Communications Error Message in a Communications Error Acknowledgment File, which will be in XML format, with the message VIRUS DETECTED and the name of the virus.

e. The next time the TP logs in, the TP will receive this ACK file, but will not be able to transmit. The TP can continue to pick up all ACK Files.

f. TP must remove infected data and call the appropriate e-Help Desk (e-HD) at 1-866-225-0654 (toll free) when ready to re-transmit.

g. The e-HD will remove the Suspend Indicator so that the TP can re-transmit the file and begin transmitting new files.

h. If another virus is detected, everything above will happen again.

8. <u>Logon Validation Specifications</u>

a. <u>Transmission Inactivity</u>

Any period of inactivity for 60 seconds will cause the line to be disconnected. It is assumed that the line is bad or that there are problems in transmission, so the line is disconnected to prevent the transmitter from being charged by the long-distance carrier for an inactive open line.

b. <u>Changing File Transfer Protocol Indicator (FTP)</u>

The File Transfer Protocol indicated by the Trading Partner is shown by menu item number 3 in brackets. If the Trading Partner has not specified a protocol, Z-modem is assigned as a default protocol. A Trading Partner can chose menu Item 3 to change protocol.

Section 1 - Data Communications

.01 **IRS Front-end Processing Subsystem (FEPS) continued**

    c. Changing File Compression

        The FEPS assigns by default no compression on the file transfer.
        If the Trading Partner wants to use UNIX compression or GZIP
        compression, this can be selected from menu Item 4. See Trading
        Partner Interface (TPI) Session examples below.

9. **IMF Trading Partner (1040 and ETD) Session Example**

    The following discussion describes how a Trading Partner (TP) who
    files Forms 1040 and ETDs will interact with the **FEPS. The figures
    are formatted for a word processing document and do not necessarily
    display the exact spacing that is used by the FEPS.**

    Note: The password is 8 alphanumeric characters.

    Figure 1 illustrates the TP login.

    a. FEPS Banner

```
*****************************WARNING*********************************
      Unauthorized access is prohibited by Public Law 99-474
           "The Computer Fraud and Abuse Act of 1986"

 This is a United States Government system.  It is intended for
 The communication, transmission, processing, and storage of
        official and other authorized information only.

           USE OF THIS SYSTEM CONSTITUTES CONSENT TO
           MONITORING AT ALL TIMES AND IS NOT SUBJECT
                TO ANY EXPECTATION OF PRIVACY.

 AUTHORIZED USE ONLY!  ACCESS TO THIS US GOVERNMENT SYSTEM CONSTITUTES
 CONSENT TO MONITORING FOR LAW ENFORCEMENT AND OTHER PURPOSES.
 login: 00000
 Password: password
 Last login: Sun Aug 13 10:58:58 from computername
```

Figure 1. Trading Partner Login.

Section 1 - Data Communications

If the TP successfully logs in to the Operating System, the "Official Use" banner appears, as shown in Figure 2.

```
------------------------------------------------------------
            F O R   O F F I C I A L   U S E   O N L Y

                   #     #####    ####
                   #     #   #   #    #
                   #     #   #   ####
                   #     #####       #
                   #     #   #  #    #
                   #     #   #   ####

                U.S. Government computer

       F O R   O F F I C I A L   U S E   O N L Y
------------------------------------------------------------
```
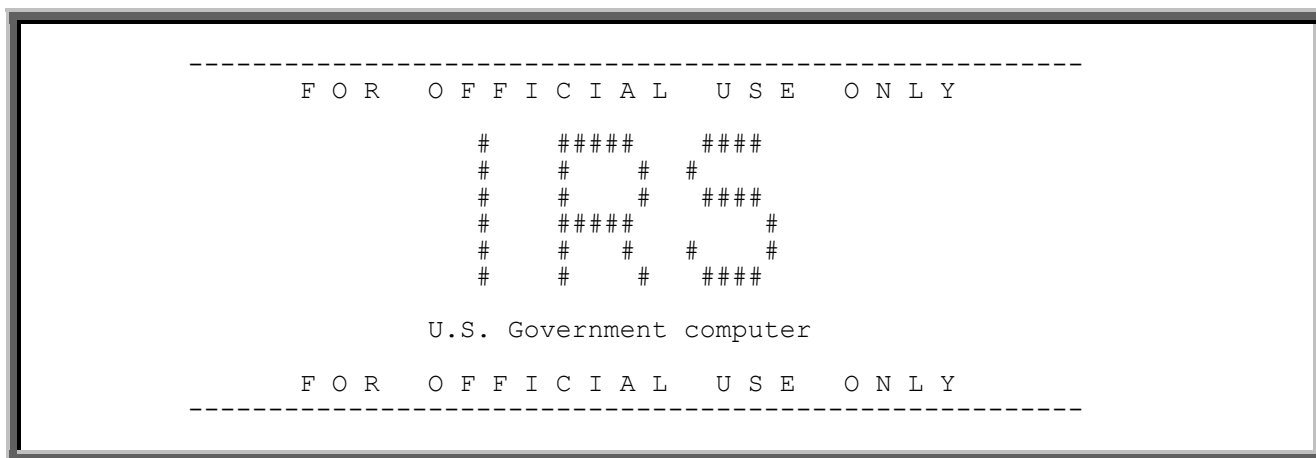
Figure 2. "Official Use" Banner.

    b. EFS Down Message

If the **FEPS** application is not available the message shown in Figure 3 will be displayed and the TP will be disconnected.

```
                   EFS is down! Please try later.
```
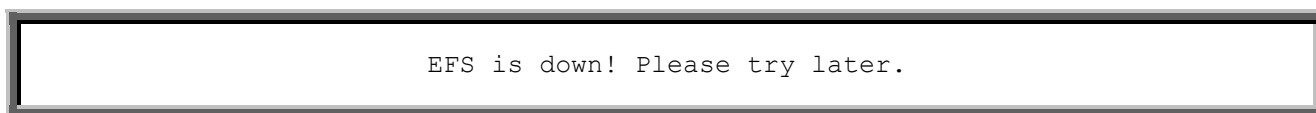
Figure 3. EFS Down Message.

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

c. Suspended Transmitter Message

If the FEPS application is available but the TP has been suspended, the message in Figure 4 will be displayed and the TP will be disconnected.

```
                        SUSPENDED TRANSMITTER/ETIN.
```

Figure 4. Suspended TP Message.

d. Active Transmitter

If the Trading Partner is active, the menu shown in Figure 6 will be displayed. The TP's current file transfer protocol will be displayed in brackets next to the "Change File Transfer Protocol" menu item. The TP's current compression method will be displayed in brackets next to the "Change Compression Method" menu item. The possible file transfer protocol and compression method values are identified in Section 1.01.1. The "File Transfer Protocols" and "File Compression Methods" menus are shown and discussed in Figures 7 through 14.

e. Unsuccessful Logon

After each unsuccessful login the system displays

```
        Login incorrect
```

Figure 5. Incorrect Login

Section 1 - Data Communications

.01 **IRS Front-end Processing Subsystem (FEPS) continued**

After 6 consecutive unsuccessful login attempts the account is **disabled**.
**If a Trading Partner has six consecutive unsuccessful login attempts (in
two consecutive sessions) to the IRS Front-end Processing System, their
account will be temporarily disabled.** The Trading Partner can continue to
attempt to login to the system and will continue to be disconnected after
every three unsuccessful login attempts, but, if the Trading Partner
supplies the correct ETIN and password, the system will display the message,
"This account is currently disabled". If this happens, the Trading Partner
should contact the Home Submission Processing Center (SPC) EMS Help Desk.
They will document the problem and refer it to a computer specialist.

      f. Successful Logon

NOTE: A TP's initial compression method will be "NONE". To override the
default, the TP must select a compression method (which is discussed later
in this section). The FEPS does not automatically sense compressed files.
Acknowledgment files will then be compressed and sent to the TP using the
TP's selected compression method. The TP is also expected to submit file(s)
compressed in the same manner.

At any prompt, if a TP does not respond in 60 seconds, the following actions
will be taken:

   - display "DISCONNECTING FROM EFS."
   - disconnect the TP.

```
              MAIN MENU

          1) Logoff
          2) Receive/Send File(s)
          3) Change File Transfer Protocol [ZMODEM]
          4) Change Compression Method [NONE]

      Enter your choice:
```
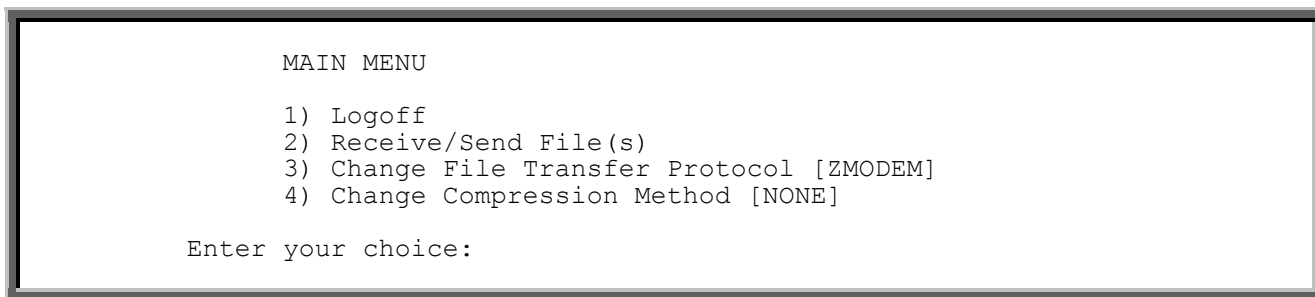
Figure 6. Initial Main Menu Display

From the Main Menu, the TP can end the session by choosing "Logoff",
receive/transmit a file by choosing "Receive/Send File(s)", change the file
transfer protocol by choosing "Change File Transfer Protocol", or change the
compression method by choosing "Change Compression Method".
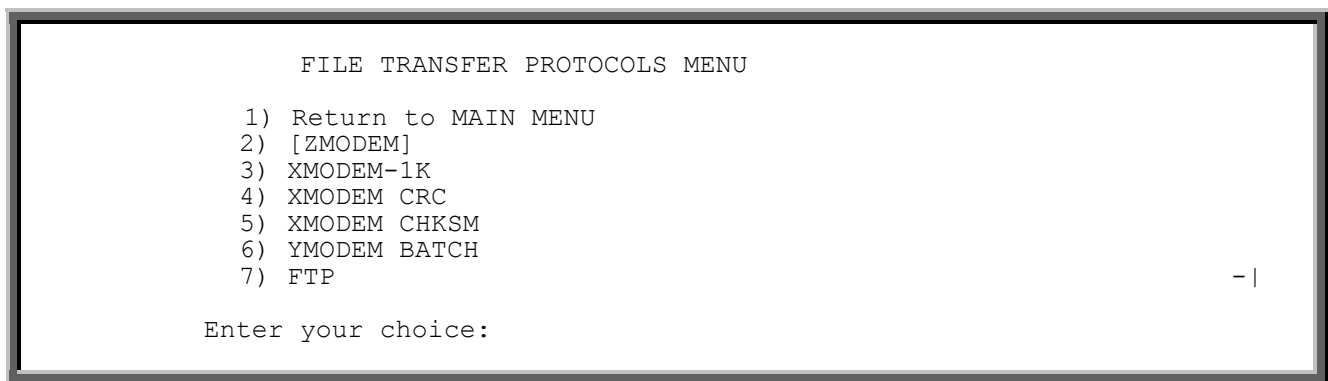
Section 1 - Data Communications

.01   IRS Front-end Processing Subsystem (FEPS) continued

   g. Changing File Transfer Protocol

When the TP chooses "Change File Transfer Protocol", the menu shown in
Figure 7 will be displayed. Brackets will frame the TP's current file
transfer protocol. Before a TP can use the FTP protocol, the TP must
provide certain configuration information to the IRS. If this information
does not exist in the Trading Partner DataBase (TPDB), then "FTP" will not
be displayed to the TP as one of the available protocols.

**See Section 1.01 introductory information for the IRS person to contact
regarding use of the FTP protocol.**


```
              FILE TRANSFER PROTOCOLS MENU

         1) Return to MAIN MENU
         2) [ZMODEM]
         3) XMODEM-1K
         4) XMODEM CRC
         5) XMODEM CHKSM
         6) YMODEM BATCH
         7) FTP                                          -|

      Enter your choice:
```
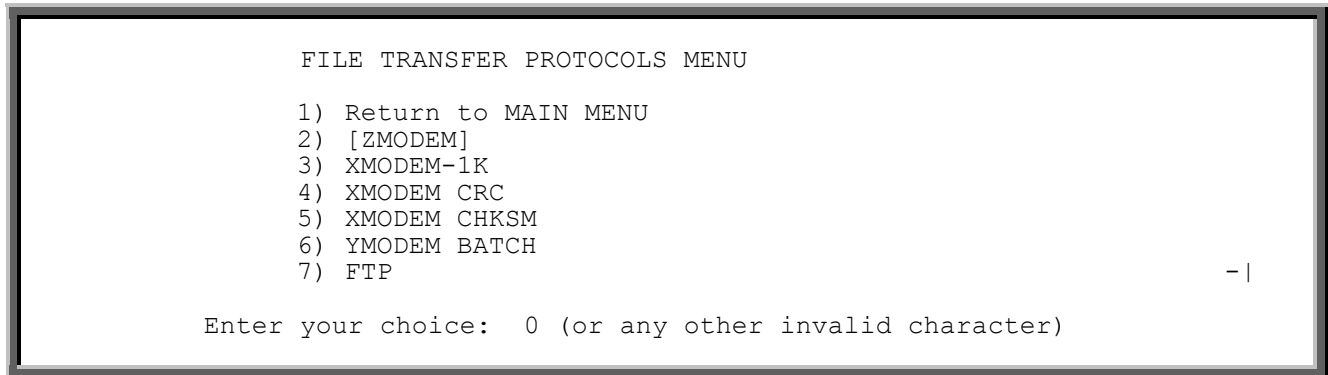
Figure 7. Initial File Transfer Protocol Menu Display

The TP can change the protocol or return to the Main Menu. If the TP
selects a protocol, the Main Menu will be redisplayed with the selected
protocol in brackets as shown in **Figure 10**. This protocol setting will be
be saved in the TPDB and will be used for all future incoming/outgoing
file transfers unless the TP changes the protocol again.

.01 IRS Front-end Processing Subsystem (FEPS) continued

Any character other than one of the menu number choices is considered invalid (as shown in **Figure 8).**
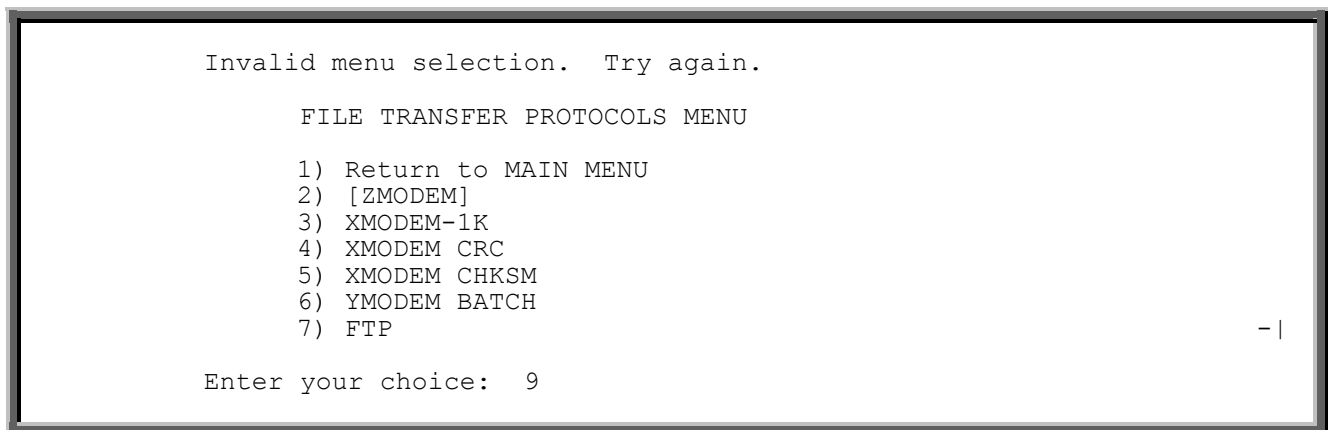
```
                    FILE TRANSFER PROTOCOLS MENU

             1) Return to MAIN MENU
             2) [ZMODEM]
             3) XMODEM-1K
             4) XMODEM CRC
             5) XMODEM CHKSM
             6) YMODEM BATCH
             7) FTP                                        -|

         Enter your choice:  0 (or any other invalid character)
```
Figure 8. Invalid File Transfer Protocol Menu Selection.

If the TP enters an invalid character, an invalid menu selection message along with the File Transfer Protocols Menu will be displayed as shown in **Figure 9. If the TP fails to make a valid selection in three attempts, the TP will be disconnected.**

```
         Invalid menu selection.  Try again.

                    FILE TRANSFER PROTOCOLS MENU

             1) Return to MAIN MENU
             2) [ZMODEM]
             3) XMODEM-1K
             4) XMODEM CRC
             5) XMODEM CHKSM
             6) YMODEM BATCH
             7) FTP                                        -|

         Enter your choice:  9
```
Figure 9. Invalid File Transfer Protocol Menu Selection Error Message.

.01 IRS Front-end Processing Subsystem (FEPS) continued

After the TP chooses a valid option from the File Transfer Protocols Menu
or chooses "Return to MAIN MENU", the Main Menu is redisplayed.

```
              MAIN MENU

         1) Logoff
         2) Receive/Send File(s)
         3) Change File Transfer Protocol [FTP]
         4) Change Compression Method [NONE]

      Enter your choice:  4
```
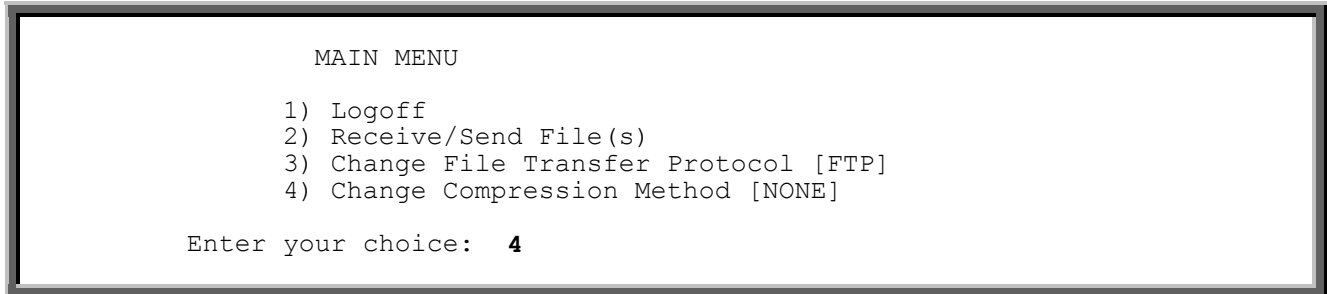
Figure 10. Redisplay of Main Menu after Protocol Change.

The TP can now end the session by choosing "Logoff", receive/transmit a file
by choosing "Receive/Send File(s)", change the file transfer protocol by
choosing "Change File Transfer Protocol", or change the compression method
by choosing "Change Compression Method".

       h. Change Compression Method

The following discussion assumes the TP chooses "Change Compression Method."
The File Compression Methods Menu will be displayed as shown in **Figure 11**.
Brackets will frame the current compression method. The two supported
compression methods are **GZIP** (a freeware program available at www.gzip.org)
and **COMPRESS** (a Unix compression utility).

```
            FILE COMPRESSION METHODS MENU

         1) Return to MAIN MENU
         2) [None]
         3) GZIP
         4) COMPRESS

       Enter your choice:
```
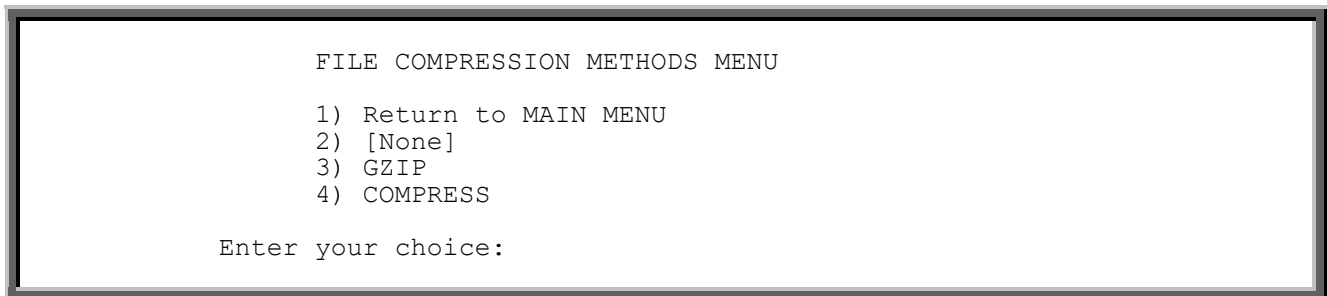
Figure 11. Initial File Compression Methods Menu Display.

Section 1 - Data Communications

.01   IRS Front-end Processing Subsystem (FEPS) continued

If the TP chooses a compression method, the Main Menu will be re-displayed
with the selected method framed by brackets as shown in **Figure 14**. This
compression method setting will be saved in the **TPDB** and will be used for
all future incoming/outgoing file transfers unless the TP changes the
compression method again. The TP's initial setting will be "None".
Before using compression, the TP must select a method from File Compression
Methods Menu.

```
            FILE COMPRESSION METHODS MENU

            1) Return to MAIN MENU
            2) [None]
            3) GZIP
            4) COMPRESS

      Enter your choice:  5
```

Figure 12. Invalid File Compression Menu Selection.

If the TP enters a character other than one of the menu number choices
(as shown in **Figure 12**), an invalid menu selection message along with the
File Compression Methods Menu will be displayed as shown in **Figure 13**.
**If the TP fails to make a valid selection in three attempts, the TP will be
disconnected.**

```
      Invalid menu selection.  Try again.

            FILE COMPRESSION METHODS MENU

            1) Return to MAIN MENU
            2) [None]
            3) GZIP
            4) COMPRESS

      Enter your choice:  3
```

Figure 13. Invalid File Compression Methods Menu Selection Response.

If the TP chooses to return to the Main Menu, the Main Menu will be displayed
again as shown in **Figure 14**. The TP can now choose to end the session,
transmit another file, or change protocol and/or compression settings.

```
             MAIN MENU

            1) Logoff
            2) Receive/Send File(s)
            3) Change File Transfer Protocol [FTP]
            4) Change Compression Method [GZIP]

      Enter your choice:  2
```

Figure 14. Main Menu Display After Change Compression Method Menu.

Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

i. Receive/Send Files(s)

When the TP chooses the "Receive/Send File(s)" menu item, the FEPS TP **interface software will check to see if there are acknowledgment files** to be sent to the TP. If there are no acknowledgment files, the message in **Figure 15** will be displayed followed by the "send" prompt shown in **Figure 21.** This will allow TPs to submit files even if there are no |
acknowledgment files awaiting TP receipt.
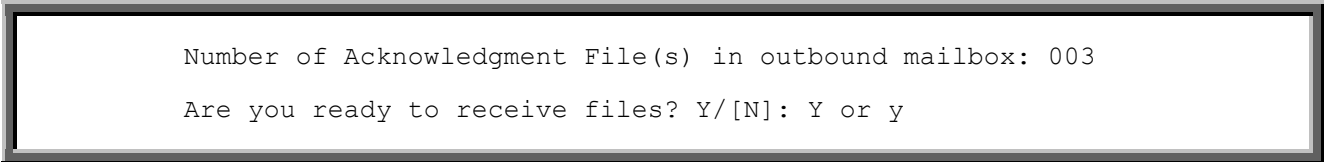
```
        Number of Acknowledgment File(s) in outbound mailbox: 000
```

Figure 15. Zero Acknowledgment File Display.

If there are acknowledgment files, the messages shown in **Figure 16** are **displayed. The message shows the number of acknowledgment files** in the outbound mailbox waiting to be sent to the TP. **The FEPS TP interface will send at most 50 acknowledgment files at a time. If there are more than 50 acknowledgments in the outbound mailbox the TP may choose item 2 from the Main Menu again to receive additional acknowledgments. The count** of Files in the outbound mailbox is recalculated every time the TP selects "Receive/Send File(s)".

(1) Receive Acknowledgment Files

```
        Number of Acknowledgment File(s) in outbound mailbox: 003

        Are you ready to receive files? Y/[N]: Y or y
```

Figure 16. One or More Acknowledgment Files Display.

If the TP enters anything other than "Y" or "y", the Main Menu (**Figure 28**) |
will be redisplayed. If the TP fails to respond affirmatively three consecutive times, FEPS will be disconnected rather than returned to the Main Menu.

The TP cannot send files until after receipt of acknowledgment files. If there are more than 50 acknowledgment files, the TP can send a file after receiving 50 acknowledgment files.

<u>**Section 1 - Data Communications**</u>

.01 <u>**IRS Front-end Processing Subsystem (FEPS) continued**</u>

If the TP responds to the prompt affirmatively, a message will be
displayed notifying the TP that the file transfer is about to begin.
The message depends on the protocol being used. For Zmodem, any mode
of Xmodem or Ymodem **<u>Batch</u>**, the message in **Figure 17** will be displayed.
For FTP, the message shown in **Figure 18** will be displayed.   -|

```
          EFS ready for modem download.
```

Figure 17.   Modem Download Notice for Zmodem, Xmodem, and Ymodem Protocols.

```
          Putting File(s) by FTP.
```

Figure 18. "Putting Files" Notice for FTP Protocol.   -|

Note: Beginning in 2004, If the TP is using FTP, or any mode of Xmodem |
as the file transfer protocol, up to 50 acknowledgment files will |
<u>no longer be</u> concatenated and sent to the TP as a single file. <u>Regardless</u> |
<u>of protocol all acknowledgment files will be sent as separate files</u>. |

If the TP interface software detects that the transmission of Acknowledgment
Files did not complete successfully, the message in **Figure 19** will be |
displayed followed by the Main Menu (**Figure 26**). If this happens three |
times in a row, the TP will be disconnected.

```
          Error transmitting Acknowledgment File(s).
```

Figure 19. Acknowledgment File Transmission Error Message. |

If the TP interface software does not detect an error, the message shown in
Figure 20 will be displayed. |

```
          Acknowledgment File(s) transmission complete.
```
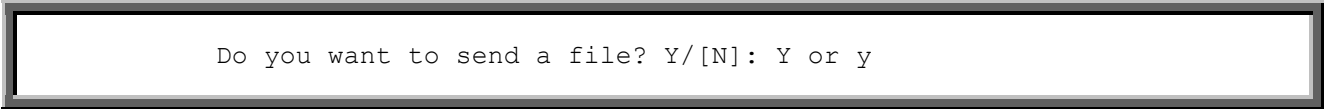
Figure 20. Acknowledgment File Transmission Complete Message. |

.01 <u>**IRS Front-end Processing Subsystem (FEPS) continued**</u>

    (2) <u>Send File(s)</u>

Next the **FEPS** will ask if the TP wants to send a file as shown in **Figure 21.** |
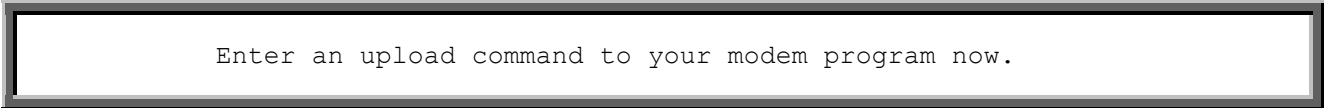
Do you want to send a file? Y/[N]: Y or y

Figure 21. Send File Prompt. |

If the TP enters **anything other than "Y" or "y"**, the Main Menu (**Figure 26**) |
will be redisplayed. If there are no acknowledgment files for the TP to
receive and the TP fails to respond affirmatively three times in a row,
the TP will be disconnected.
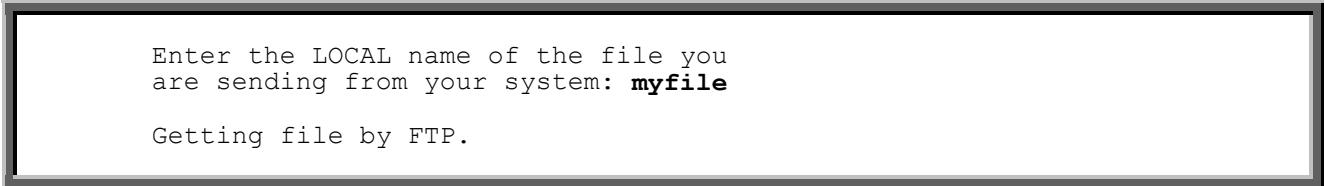
Otherwise, the next prompt depends on the file transfer protocol being used.
If the TP is using **Zmodem**, **Ymodem** <u>**Batch**</u>, or any mode of **Xmodem**, the   -|
FEPS will prompt the TP to start the file transfer as shown in **Figure 22.** |

Enter an upload command to your modem program now.

Figure 22. Modem Upload Prompt for Zmodem, Xmodem, Ymodem Protocols. |

If the TP is using the **FTP** protocol, the FEPS will prompt the TP to supply
a file name as shown in **Figure 23.** After supplying the file name the TP |
will be notified that the FTP transfer is beginning. This notice is also |
shown in **Figure 23.**

    Enter the LOCAL name of the file you
    are sending from your system: **myfile**

    Getting file by FTP.

Figure 23. FTP File Name Prompt. |
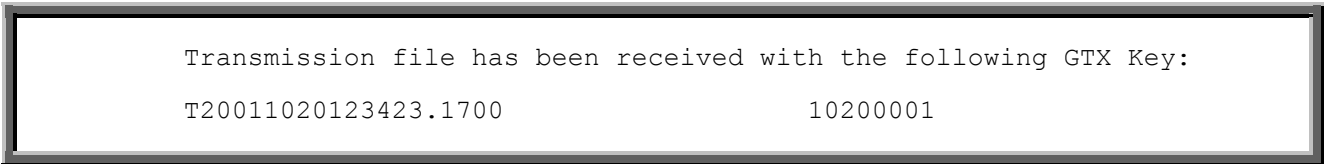
Section 1 - Data Communications

.01 IRS Front-end Processing Subsystem (FEPS) continued

Once the TP has been notified that the file transfer is beginning
(**Figure 22**), the TP has <u>**60 seconds to begin the file transfer**</u>. **If the**   -|
FEPS does not receive at least part of the TP's file within 60 seconds,
the TP will be disconnected.

If the FEPS does not detect an error, the transmission confirmation message
shown in **Figure 24** will be displayed followed by the Main Menu (**Figure 26**). |
If the TP hangs up without receiving the confirmation message, the file may
be discarded and a Communications Error Acknowledgment File may be generated.

The transmission confirmation message contains the Global Transaction (GTX)
Key and the Acknowledgment Reference File Name.   The GTX Key is the unique
identifier assigned by the FEPS to the file sent by the TP, and is used to
track the processing of the file and its subsequent acknowledgment.   The
Acknowledgment Reference File Name is used when constructing the name of
the acknowledgment file delivered to the TP.   (**See Section 1.01.8** for a
description of the GTX Key and its relationship to the Acknowledgment
Reference File Name).
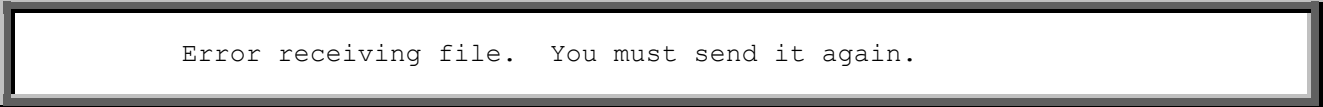
```
       Transmission file has been received with the following GTX Key:

       T20011020123423.1700                    10200001
```

Figure 24. Transmission Confirmation Message Display. |

Section 1 - Data Communications

.01   IRS Front-end Processing Subsystem (FEPS) continued

If the FEPS detects that the transmission did not complete successfully, the message in **Figure 25** will be displayed followed by the Main Menu (**Figure 26**). |
If this happens three consecutive times, the TP will be disconnected.
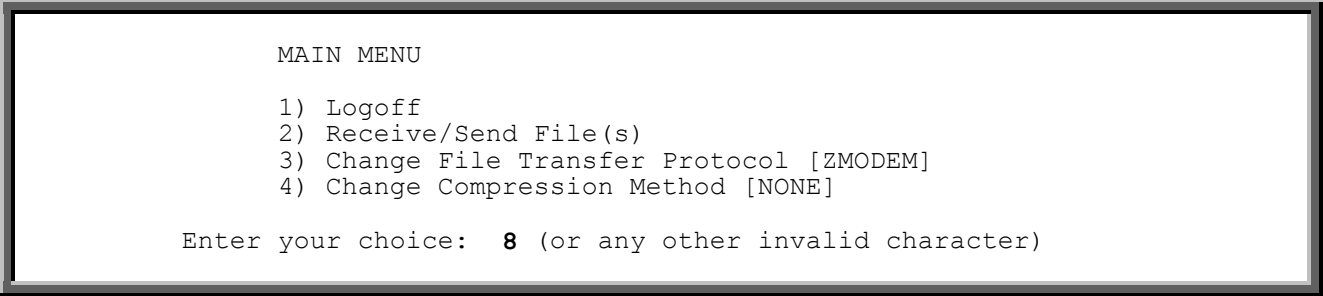
```
        Error receiving file.  You must send it again.
```

Figure 25. Transmission Receipt Error Message. |

The Main Menu is redisplayed as shown in **Figure 26**. The TP can now end |
the session by choosing "Logoff", receive/transmit a file by choosing
"Receive/Send File(s)", change the file transfer protocol by choosing
"Change File Transfer Protocol", or change the compression method by
choosing "**Change Compression Method"**.

Another batch of returns or ETDs can be transmitted.

```
             MAIN MENU

             1) Logoff
             2) Receive/Send File(s)
             3) Change File Transfer Protocol [ZMODEM]
             4) Change Compression Method [NONE]

        Enter your choice:  8 (or any other invalid character)
```

Figure 26. Redisplay of Main Menu. |

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.01 <u>IRS Front-end Processing Subsystem (FEPS) continued</u>

If the TP enters a character that is not one of the listed number choices, an
invalid menu selection message along with the Main Menu will be displayed as
shown in **Figure 27. If the TP fails to make a valid selection in three** |
attempts, the TP will be disconnected.

```
        Invalid menu selection.  Try again.

              MAIN MENU

              1) Logoff
              2) Receive/Send File(s)
              3) Change File Transfer Protocol [FTP]
              4) Change Compression Method [GZIP]

        Enter your choice:  1
```

Figure 27. Invalid Main Menu Selection. |

j. <u>Logoff</u>

If the TP chooses to logoff, the FEPS will perform any necessary clean up
activities, record statistical information in the FEPS database, and then
display the message shown in **Figure 28. The TP should not hang up before**
receiving the disconnect message. If the TP does hang up prematurely, the
FEPS may not complete its cleanup activities. This could result in the TP
receiving acknowledgment files again in the next login session or in having
a submission file discarded.

```
        DISCONNECTING FROM EFS.
```

Figure 28. End of TP Session Message |

Section 1 - Data Communications

    k. <u>Example of Logon, Receive, Send, Logoff</u>

Figure 29 illustrates a complete TP session including login, receipt of acknowledgment files, transmission of a tax return file, and session termination.

```
*****************************WARNING********************************
        Unauthorized access is prohibited by Public Law 99-474
              "The Computer Fraud and Abuse Act of 1986"

   This is a United States Government system.  It is intended for
   The communication, transmission, processing, and storage of
           official and other authorized information only.

            USE OF THIS SYSTEM CONSTITUTES CONSENT TO
          MONITORING AT ALL TIMES AND IS NOT SUBJECT
                  TO ANY EXPECTATION OF PRIVACY.

   AUTHORIZED USE ONLY!  ACCESS TO THIS US GOVERNMENT SYSTEM CONSTITUTES
   CONSENT TO MONITORING FOR LAW ENFORCEMENT AND OTHER PURPOSES.

login: 00000
Password: password
Last login: Sun Aug 13 10:58:58 from computername
           ---------------------------------------------------------
                F O R    O F F I C I A L    U S E    O N L Y

                    #     #####    ####
                    #     #   #   #
                    #     #   #   ####
                    #     #####       #
                    #     #   #   #   #
                    #     #   #   ####

                    U.S. Government computer

                F O R    O F F I C I A L    U S E    O N L Y
           ---------------------------------------------------------

                  MAIN MENU

                  1) Logoff
                  2) Receive/Send File(s)
                  3) Change File Transfer Protocol [ZMODEM]
                  4) Change Compression Method [NONE]

            Enter your choice:  2
```

Figure 29. IMF TP Session to Pick Up Acknowledgments and |
Transmit a Tax Return File.

Section 1 - Data Communications

.01   IRS Front-end Processing Subsystem (FEPS) continued

```
        Number of Acknowledgment File(s) in outbound mailbox: 003

        Are you ready to receive files? Y/[N]: Y

        EFS ready for modem download.

        Acknowledgment File(s) transmission complete.

        Do you want to send a file? Y/[N]: Y

        Enter an upload command to your modem program now.

        Transmission file has been received with the following GTX Key:

        T20011020123423.1700                    10200001

            MAIN MENU

            1) Logoff
            2) Receive/Send File(s)
            3) Change File Transfer Protocol [ZMODEM]
            4) Change Compression Method [NONE]

         Enter your choice:  1

         DISCONNECTING FROM EFS.
```

Figure 29 (cont). IMF TP Session to Pick Up Acknowledgments |
and Transmit a Tax Return File.

Section 1 - Data Communications

 .01 IRS Front-end Processing Subsystem (FEPS) continued

 10. **Global Transaction (GTX) Key Format**

    a. Global Transaction (GTX) Key example: SYYYYMMDDhhmmss.xxxx.

```
S     = Processing Site Identifier,
              T = TCC                                    |
              U = Austin                                 |
YYYY  = Year, Year, Year, Year
MM    = Month, Month
DD    = Day, Day
hh    = hour, hour
mm    = minute, minute
ss    = second, second
xxxx  = milliseconds
```

    b. The Global Transaction (GTX) key is the file name on the UNIX FEPS
machines and can also be used by the Help Desk Staff to research
the status of a transmission. However, the **Acknowledgment Reference
File Name is MMDDnnnn followed by an extension as shown below.**

 11. **Acknowledgment File Name Formats**

The format of the Acknowledgment Reference Name is MMDDnnnn where MM
month and DD day match the GTX Key. The nnnn number is a 4-digit
sequence number generated by the **FEPS.** The Reference Name is used
to generate the Acknowledgment File Name.

The **FEPS** acknowledgment files will be named as described in **Figure 30.** |

Form and Format	ACK Ref. File Name (Note 1)	ACK Ref. File Name w/ GZIP (Note 2)	ACK Ref. File Name w/ COMPRESS (Note 3)
1040/ETD – Proprietary (TRANA/TRANB/RECAP)			
FEPS Error Acknowledgment	MMDDnnnn.NAK	MMDDnnnn.GZ	MMDDnnnn.Z
Unisys Acknowledgment	MMDDnnnn.ACK	MMDDnnnn.GZ	MMDDnnnn.Z

    Figure 30. ACK File Names for **Ymodem Batch** and Zmodem protocols. |

Note 1: MM   = month
        DD   = day
        Nnnn = 4 digit sequence number

        MMDD is taken from the GTX Key

        nnnn is a 4-digit sequence number generated by the FEPS at the
        time the TP submitted the file.

Note 2: GZIP will preserve the uncompressed ACK file name (e.g.,
        MMDDnnnn.ACK) in its archive.

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.01   **IRS Front-end Processing Subsystem (FEPS) continued**

Note 3:   COMPRESS does not preserve the uncompressed ACK file name.

If a transmitter submits a file that is given the GTX Key "T20011020154710.0800", the first four digits of the **Acknowledgment Reference File Name** would be "1020". The next four digits would be a **sequence number generated by the FEPS**, e.g., "0001". The **Acknowledgment Reference File Name**, derived from the date and the Trading Partner DataBase, would then be "10200001". A **FEPS Communications Error Acknowledgment File** would be named "10200001.NAK". A UNISYS Acknowledgment File would be named "10200001.ACK".

If the Acknowledgment File were compressed with **GZIP**, it would be named "10200001.GZ".

If the Acknowledgment File is compressed with Unix **COMPRESS**, it would be named "10200001.Z".

02.   **Receiving the Acknowledgement File**

1. The Acknowledgment File identifies which returns have been accepted, rejected, or identified as duplicates.

2. Each file of electronic returns transmitted to the Service will normally be acknowledged within two workdays of receipt.   -|

3. If the Acknowledgment File is not received within two workdays, or if acknowledgments are received for returns that were not transmitted on the designated transmission, immediately contact the Electronic Filing Unit *e*-Help Desk at the appropriate submission processing center for assistance.

4. The transmitter should match the Acknowledgment File back to the original file transmitted by using the IRS-assigned file name, either the 20 character GTX key or the Acknowledgment Reference File Name. **The Acknowledgment Reference File Name is a combination of "MMDD" and a 4-digit sequence number plus ACK or NAK file extension.**

   Note: "MM" represents month and "DD" represents day of the transmission. The 4-digit sequence number is stored in and assigned by the FEPS. Transmitters Profile DataBase and is incremented each time a transmission file is received by the FEPS.

   *Any electronically transmitted return or **Electronic Tax Document (ETD)** that is not accepted by the Service has NOT been accepted for processing, and must be resubmitted and acknowledged as accepted before it is considered filed.*

Section 1 - Data Communications

02. Receiving the Acknowledgement File

5.   The FEPS will supply the GTX key and Acknowledgment Reference File
      Name (MMDDnnnn) to the transmitter at the end of the transmission
      confirmation message as shown below:

       Transmission file has been received with the following GTX Key:

          T20011020123423.1700   10200022

      In this example the GTX key is the 20-character date time stamp and
      the Acknowledgment Reference File Name is to the right of it.   The
      GTX key uses the following format:

          SYYYYMMDDhhmmss.xxxx

          S   = System ID
              T = TCC |
              U = Austin |
          YYYY   = year
          MM   = month
          DD   = Day
          hh   = hour
          mm   = minute
          ss   = second
          xxxx   = milliseconds

       For the Acknowledgment File Reference name, "1020022" represents 10th
       month, 20th day, transmission sequence number 22 for that day for that
       Trading Partner.

6.   When a return **or an ETD or a Transmission** has been rejected after
      three attempts, contact the appropriate submission processing center's
      Electronic Filing Unit *e*-Help Desk for assistance.

7.   **NOTE:** If using **YMODEM-Batch**, the FEPS send each <u>Acknowledgment</u>   -|
      <u>File as a **separate** file.</u> Block zero ("0") identifies the filename.   -|
      Data are transmitted starting in Block one ("1") up to Block 255
      and then the block number rolls to Block 0. The last block for the
      file is padded with "Ctrl Z" characters. The next transmission packet
      should be the EOT character. A Block 0 without a filename will be   -|
      followed by the EOT character.

8.   **NOTE:** If using ZMODEM, each Acknowledgment File is sent separately   -|
      "zfin" at the end of all files.   -|

9.   For Communication Error Messages, see Section 1.04 on Communications
      Error Messages.

10.   For information on how to read the Acknowledgement File, see
      Section 3.01.

11.   For information on how to batch return transmission files and match
      them with ACK files, see Section 3.04.

Section 1 - Data Communications

.03 Transmitting Returns

1. All transmission-**related** records are validated separately prior to
validation of forms and schedules. **If there are errors with the
transmission, the FEPS will reject the file and return a Communication
Error Ack. Any file in the TP outbound mailbox must be picked up by
the TP before additional transmissions can be sent.**

2. Immediately after receiving the ACK File(s), if there are any, the
transmitter may transmit a file with the required records in the
following sequence:

   a. Transmitter records: TRANA and TRANB. These records identify the
   transmitter.

   b. Tax Return or Electronic Tax Documents (ETDs) records: See Part II
   Record Layouts for exact identifications for the return (RET),
   schedules (SCH), forms (FRM), statements (STM), state records (ST),
   and summary record (SUM).

   See Part III Record Layouts for ETDs.

   c. RECAP record: The RECAP summarizes the transmission and is similar
   to the "trailer" of a file.

   After completing a transmission, the TP may select Receive/Send
   from the main menu to send another transmission.

   **NOTE: TRANSMISSIONS ARE NOT VALIDATED DURING RECEIPT OF THE FILE.
   ONLY AFTER THE MESSAGE, "Transmission has been received with the
   following GTX Key:…", WILL THE ENTIRE TRANSMISSION BE VALIDATED.
   WHEN THE FIRST TRANSMISSION ERROR IS ENCOUNTERED, THE FEPS WILL
   DISCONTINUE VALIDATION AND GENERATE THE APPROPRIATE ERROR MESSAGE IN
   A COMMUNICATION ERROR ACKNOWLEDGEMENT FILE. IT IS RECOMMENDED THAT
   THE TRANSMITTER RE-VALIDATE THE ENTIRE FILE BEFORE RE-TRANSMITTING
   CORRECTIONS TO ALLEVIATE SUBSEQUENT COMMUNICATION ERRORS, WHICH WILL
   GENERATE ADDITIONAL COMMUNICATION ERROR ACKNOWLEDGMENT FILE(S).**

3. See Section 1.04 Communication Error Message for a list of all Data
Communication Validation and Error Messages.

Section 1 - Data Communications

.04   Communication Error Messages

Below are the Communications Error Messages that will be transmitted from the Electronic Management System (Front-End Processing Subsystem (FEPS)) in a Communications Error Acknowledgment File, upon detection of a transmission validation error.

1. **"NO TRANA RECORD RECEIVED"** -- The FEPS will reject the transmission **when the first record byte count and end-of-record indicator (#) do not agree, or record sentinel (****) is not present, or "TRANA" is not in columns 9-14, or byte count is >120 characters or is not** numeric, or <CR> or <LF> is imbedded within the record.

2. **"NO TRANB RECORD RECEIVED"** -- The FEPS will reject the transmission **when the second record byte count and end-of-record indicator (#) do** not agree, or record sentinel (****) is not present, or "TRANB " is **not in columns 9-14, or byte count is >120 characters or is not** numeric, or <CR> or <LF> is imbedded within the record.

3. **"NO RECAP RECORD RECEIVED; POSSIBLY DUE TO A LINE PROBLEM″** -- The FEPS will reject the transmission when the last record byte count and end-of-record indicator (#) do not agree, or record sentinel (****) is not present, or "RECAP" is not in columns 9-14, or byte count is > 120 characters or is not numeric, or <CR> or <LF> is embedded within the record.

4. **"LOGON ETIN AND ETIN IN THE TRANA RECORD WERE DIFFERENT"** -- The FEPS **will reject the transmission when the ETIN in columns 84-88 of the** TRANA record does not match the login ETIN.

5. **"INVALID PROCESSING SITE DESIGNATOR. C=ANDOVER, D=MEMPHIS, E=AUSTIN"**   -| **F=KANSAS CITY, G=PHILADELPHIA″** -- The FEPS will reject the transmission | when the letter code for Site Designator in column 75 of the TRANA record is not equal to one of the alphabetic codes, OR when the actual processing site or alternate site code does not agree with the Site Designator in the TRANA record.

6. **"INVALID TRANA: WRONG LENGTH OR EMBEDDED #″** -- The FEPS will reject the transmission when the byte count of the first record is less than 120 and the end-of- record indicator (#) agrees with the byte count.

7. **"INVALID TRANB: WRONG LENGTH OR EMBEDDED #"** -- The FEPS will reject the transmission when the byte count of the second record is less than 120 and the terminus character (#) agrees with the byte count.

8. **"INVALID RECAP: WRONG LENGTH OR EMBEDDED #"** -- The FEPS will reject the transmission when the byte count of the last record is **not equal to** 120 and the terminus character (#) agrees with the byte count.

9. **"MULTIPLE TRANA/TRANB RECORDS DETECTED"** -- The FEPS will reject the transmission when multiple TRANA or TRANB or RECAP records are found within a file.

.04 Communication Error Messages (continued)

10. **"INVALID PRODUCTION-TEST CODE – P = PRODUCTION, T = TEST"** –– The
    FEPS will reject the transmission when Test/Production indicator in
    column 117 of the TRANA record does not equal 'T' or 'P'.

11. **"PRODUCTION-TEST CODE IN TRANA RECORD DOES NOT MATCH PROFILE"** –– The
    FEPS will reject the transmission when the Production/Test indicator
    in column 117 of the TRANA record does not match the production/test
    mode in the Trading Partner profile.

12. **"INVALID TOTAL RETURN COUNT IN RECAP RECORD"** -- The FEPS will reject
    the entire transmission and generate this Error ACK message when the
    number of tax returns counted does not match the Total Return Count
    in columns 29-34 of the RECAP record.

13. **"INVALID JULIAN DAY IN THE TRANA RECORD"** –– The FEPS will reject the
    transmission when the Julian day in columns 91-93 of the TRANA record
    is more than two days prior to the actual receipt Julian day or more
    than one day after the actual receipt Julian day.

14. **"INVALID TRANSMISSION TYPE CODE"** -- The FEPS will reject the
    transmission when the Trading Partner's transmission type code
    specified in column 118 of the TRANA record is not valid. Valid
    codes must equal one of the following codes:

    " " (blank)   = regular 1040 Electronic Filing
    "D"   = ETD
    "N"   **=** ETD Online
    "O"   = Online Filing

15. **"INVALID TOTAL FORM COUNT IN RECAP"** –– The FEPS will reject the
    entire transmission and generate an Error ACK file with the message
    if the number of ETD forms counted does not match the Total Form
    Count in columns 29-34 of the RECAP record.

16. **"INVALID FORM FORMAT BEGINNING AT RECORD n"** –– For ETD transmissions,
    the FEPS will reject the entire transmission when a form does not
    begin with a FRM record (valid Record ID, Form Number and Page Number
    fields) or does not end with a summary record. In addition, the form
    record must contain a numeric TIN that matches the TIN in the summary
    record.

17. **"INVALID TAX RETURN FORMAT BEGINNING AT RECORD n"** –– The FEPS will
    reject the entire transmission Error Ack message after the first
    occurrence of this validation error. For return transmissions,
    the FEPS will validate that every return begins with a tax return
    record (valid Record ID, Return type and Page number fields) and
    ends with a summary record. In addition, the tax return record must
    contain a numeric TIN that matches the TIN in the summary record.
    If an error is encountered, no further validation will take place
    after this first error is encountered.

.04 **Communication Error Messages (continued)**

18. **"NO RETURNS WITHIN THE TRANSMISSION"** -- The FEPS will reject the entire transmission when there are no returns within a transmission.

19. **"NO FORMS WITHIN THE TRANSMISSION"** -- The FEPS will reject the entire transmission when there are no ETD forms within a transmission.

20. **"INVALID RECORD FORMAT IN RECORD NUMBER XXX"** -- The FEPS will reject the entire transmission when the number of bytes in a record that the Trading Partner indicates does not equal the number counted by the FEPS, **starting with the TRANA record.** The byte count begins with the 4-digit byte count followed by the 4 asterisks (****) in the record sentinel, the data, followed by the record terminus.

21. **"TRANSMITTER NOT VALID FOR TRANSMISSION TYPE"** -- The FEPS will reject the transmission when the Trading Partner profile in the TPDB does not allow the Transmission Type specified in column 118 of the TRANA record.

22. **"ADDITIONAL TAX DATA AFTER RECAP"** -- The FEPS will reject the transmission when data exists after the RECAP record.

23. **"A VIRUS <Virus Name> WAS DETECTED IN THIS FILE"** -- **The FEPS has detected a virus in a transmission file and will quarantine and not process file. The TP will be temporarily suspended. The TP must clean up the file and call their appropriate e-Help desk for permission to transmit. Please note that this error acknowledgment is in XML format.**

24. **"INVALID FORM TYPE FOR THIS EMS PROCESSING SITE"** -- **For 1040 and ETD transmissions, if the letter code for Site Designator in column 75 of the TRANA record is anything other than the specified form type for that processing site, the transmission will be rejected.**

.05 **Problem Transmission**

1. When the transmitter disconnected during a transmission, or when the FEPS detected a transmission format error, the FEPS will send a Communications Error Acknowledgment (ACK) File, which indicates why the transmission was not processed.

2. The Communications Error ACK File will be sent any time a transmission level error is detected, whether or not other acknowledgment records are ready to be picked up. A Communications Error ACK File will NOT be sent if the transmitter only picks up acknowledgment files, and then selects logoff to disconnect the line.

3. **Unless using Zmodem, Dial-up Transmitters should not transmit more than 500 electronic returns per transmission because if disconnected, the long distance charges to retransmit could be costly.** If the transmitter is not using file compression, fixed format data will take a longer amount of time to transmit than variable format data. If more than 500 returns are ready to be transmitted via dial-up, they should be sent in subsequent transmissions.

   NOTE: If using ZMODEM with Checkpoint/Restart, a Dial-up filer may file up to 10,000 returns per transmission.

   If a transmitter is using one of the high-speed transfer protocols, up to 10,000 returns may be filed per transmission.

4. The FEPS supports **ZMODEM Checkpoint/Restart**. To utilize this feature, the transmitter's communication package's ZMODEM setting for "Crash Recovery" should be set to **"ON"**. If a transmission is aborted, the FEPS stores the partially transmitted file under the file name used by the transmitter in the ZMODEM protocol. If the next time the transmitter logs on and attempts to send the same previously named file, after receiving ACK Files, the FEPS will resume receiving the rest of the file. However, if on the next session, the transmitter attempts to send a new file, the previous partially received file will not be processed. In such a case, the transmitter will have to retransmit the whole file. **For any other protocol**, **aborted transmissions must be <u>restarted</u>** from the beginning since there are no checkpoint/restart capabilities.

5. Layout of Communications Error Acknowledgment File

   a. Each Communication Error Acknowledgment File will have a sequence number assigned and the file will be sent to the transmitter in the order of the error.

      Example: A transmitter's first transmission was successful, but the second one was aborted because of line noise. The first ACK File would be a regular one regarding acceptance/rejection of the returns within the transmission, followed by a Communications Error ACK File regarding the aborted transmission. Since the first transmission was sent on to the UNISYS for processing, the Acknowledgment for this file will be returned to the Trading Partner at a later time than the Communication Error ACK was returned.

.05   Problem Transmission (continued)

b. The layout of the Communications Error Acknowledgment File is below:

0120****TRANA9blanksTHIS IS A COMMUNICATIONS ERROR ACKNOWLEDGMENT FILE47blanks#

The TRANA portion of the file is a total of **72** characters followed by **47** blanks and the pound sign (#) in the 120th position.

0120****TRANB TRANSMISSION MMDDnnnn ON MM/DD/YYYY, HH:MM:SS WAS UNSUCCESSFUL DUE TO THE FOLLOWING CONDITION:

The TRANB portion of the file is followed by blanks and a pound sign (#) in the 120th position.

```
    MM      = Month Month
    DD      = Day Day                                               |
    nnnn    = Transmission Sequence Number for that day.
```

0120****ACK

The ACK portion of the file containing one of the above Communication Error messages appears here, followed by blanks and a pound sign (#) in the 120th position.

0120****RECAP

The RECAP portion of the file is followed by 106 blanks and the pound sign (#) in the 120th position.

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Section 2 – Transmission File Format

.01 General Description

1. All transmission data must be in ASCII format. No binary fields may be transmitted.

2. A transmission session will normally consist of three parts:

   a. First, the communications link must be established using acceptable protocol.

   b. Next, the transmitter will receive the acknowledgment transmission containing information about the previous transmission session, **if an acknowledgment file exists**.

   c. Then, the return record transmission may commence. The return record transmission will consist of 1) a series of logical records, beginning with the TRANA record, 2) some number of logical return records, and 3) a RECAP Record.

      CAUTION: Dial-up filers not using ZMODEM with Checkpoint/Restart should not file more than 500 returns per transmission because if the line is disconnected, they will incur long distance charges for the initial partial transmission and the subsequent re-transmission. Dial-up filers using Zmodem with Checkpoint/Restart can file a maximum of 10,000 returns per transmission (Return Sequence Numbers 0000 – 9999). Dedicated leased line filers can file a maximum of 10,000 returns per transmission.

3. All return records must be in ascending order by Declaration Control Number (DCN) and Return Sequence Number (RSN).

4. Two four-byte fields (the Record Control Information) must precede each record within a transmission. The first four-byte field is a record Byte Count that will contain a count of the number of bytes within the logical record including the four bytes for the counter itself, four bytes for the Start of Record Sentinel (****), and one byte for the Record Terminus Character (#). The second four-byte field will be the Start of Record Sentinel, which must be four asterisks (****).

5. Every record must have the Record Terminus Character (#) as its last significant byte.

   Note: Provisions have been made to allow for **non-significant padding** to exist following the Record Terminus Character, i.e., CR or LF may be added after the Record Terminus Character to fill up a physical block size. This is permitted to accommodate all the different computer systems being used to transmit data.

6. The first records on a transmitted file, the TRANA and TRANB Records, contain information regarding the transmitter and file format. The tax return records should follow these records.

Section 2 – Transmission File Format

.01   General Description (continued)

7.   The end of the logical transmission is signaled by the literal "RECAP". It is followed by the RECAP Record data and ends with the Record Terminus Character (#).

8.   The TRANA, TRANB and RECAP records are fixed-length records of 120 bytes each. Any non-significant field should be blank-filled.

9.   A tax return will consist of a variable number of fixed length or variable length records. The size and format of the logical record for each page of each schedule, form, etc., are specified in Part II Record Layouts. See Section 2 for file formats.

10.   Each logical record should contain all data fields pertaining to one printed page of an official schedule or form, including the Form Payment, Authentication, Preparer Note, Election Explanation and Regulatory Explanation records, or to a line of a Statement Record. Therefore, the logical record contains an entire schedule or form, or a logical part (i.e., PG01 or PG02) of a schedule or form, or line of a Statement Record. See Section 8 for Statement Record information.

11.   Each complete tax return must consist of all logical records pertaining to it in the following sequence:

        Form 1040/1040A/1040EZ Page 1
        Form 1040/1040A Page 2
        Schedules in alphabetical order or in Attachment Sequence Number
           order as preprinted on the official IRS form
        Forms in numerical order or in Attachment Sequence Number order as
           preprinted on the official IRS form
        (Forms W-2, W-2G, and 1099-R should precede other forms, and Form
           Payment should follow other forms)
        Authentication Record
        Statement Records
        Preparer Notes
        Election Explanations
        Regulatory Explanations
        State Records
        Summary Record

12.   Schedule, Form, Statement, Preparer Note, Election Explanation and Regulatory Records can contain additional sequential Page Records if the record consists of more than one printed page. (Pages are only numbered within a schedule, form, or statement record, not across the return). All records must appear in the order above with the proper control information. The counts of the schedules and forms must match the counts in the Summary Record or the return will be rejected.

13.   The file should be unlabeled (no standard header or trailer records).

14.   Each file must contain only complete returns.

Section 2 – Transmission File Format

.01   General Description (continued)

15.   The page should not be generated if there are no entries on a page
      record of a schedule or form. A blank page (Record ID Group only)
      will cause the return to be rejected, except in cases where multiple
      forms require that one page be present when the other page is present.

16.   The first logical record of a tax return (i.e., Page 1 of the
      Form 1040/1040A/1040EZ) will contain the Record Control Information
      and Tax Return Record Identification (ID) Group, followed by the
      Return Sequence Number (RSN) and the Declaration Control Number (DCN).
      The Record ID Group includes the Record ID, Return Type, Page Number,
      Taxpayer Identification Number, and Tax Period.

      a. The Return Sequence Number (RSN) is a unique 16-digit number assigned
         by the transmitter to each return within a return transmission. The
         RSN includes the <u>transmitter's</u> Electronic Transmitter Identification
         Number (ETIN). The RSN consists of the following fields:

         (1) Electronic Transmitter Identification Number (ETIN) of the
             transmitter (5 numeric characters)
         (2) Transmitter Use Field, the value of which is determined by
             the transmitting electronic filer (2 numeric characters)
         (3) Julian Day of Transmission (3 numeric characters)
         (4) Transmission Sequence Number for the given Julian Day
             (2 numeric characters (00-99))
         (5) Sequence Number assigned to the return (4 numeric characters
             (0000-9999)

      b. The DCN is a 14-digit number assigned by the electronic filer to
         each return within a return transmission. The DCN must contain
         the Electronic Filer Identification Number (EFIN) of the electronic
         filer that originated the electronic submission of the return, even
         if the transmitter assigns the DCN as a service to the electronic
         return preparer. The DCN consists of the following fields:

         (1) Always "00" (2 numeric characters)
         (2) Electronic Filer Identification Number (EFIN) of the
             electronic filer (6 numeric characters)
         (3) Batch Number (3 numeric characters (000-999))
         (4) Serial Number (2 numeric characters (00-99))
         (5) Year Digit (1 numeric character)

         NOTE: When using variable format, begin bracketing field numbers
         on Page 1 of the tax return beginning with the RSN [0007].

Section 2 – Transmission File Format

.02 Fixed and Variable Length Options

There are two options available for transmitting logical tax return records: fixed length (fixed format) and variable length (variable format). (The Transmitter Records TRANA, TRANB, and RECAP Record are not tax return records.)

See Section 5 for requirements related to specific field descriptions and types of characters.

1. Fixed Length Option (Fixed Format)

The fixed length option requires the complete tax return to be transmitted exactly as defined in Part II Record Layouts. All fields must be present. If a field contains no data, it must be blank-filled or zero-filled. An "F" in the Record Type (SEQ 0100) of the TRANS Record A (TRANA) indicates fixed-length option.

When the fixed length option is used, the following data field conventions must be followed:

a. Alphanumeric Fields - Fixed Format

   (1) Left-justify the field with trailing blanks.

   (2) When a "literal" is included in the field description, enter the literal value, left-justified, exactly as specified in Part II Record Layouts. Trailing blanks must be entered.

       NOTE: The trailing blanks are not shown in the Record Layouts.

b. Numeric Fields - Fixed Format

   (1) Unsigned numeric fields: Right-justify with leading zeros.

   (2) Signed numeric fields (money amounts): Right-justify with leading zeros, reserving the right-most position for the Sign. A blank (" ") indicates a gain and a minus sign ("-") indicates a loss.

   (3) Signed numeric fields that can also contain literal values: Enter signed numeric fields as described above. When entering a literal value, left-justify and blank-fill the field.

c. Preparer Note, Election Explanation and Regulatory Explanation Records

   If less than 4,000 characters of data is present for one of these records, it is permissible to enter the Terminus Character immediately following the last significant character when filing in fixed format. If you choose to do this, be sure to adjust the byte count accordingly.

Section 2 – Transmission File Format

.02 Fixed and Variable Length Options (continued)

  2. Variable Length Option (Variable Format)

   The variable length option provides for the transmission of only
   control information, including the record ID group, significant
   data fields, and significant data within individual fields.
   Indicate the variable length option by entering a "V" in the
   Record Type (SEQ 0100) of the TRANS Record A (TRANA).

   When the variable length option is used, the following data field
   conventions must be followed:

   a. Alphanumeric Fields - Variable Format

      (1) Left-justify data in the field. Do not enter leading
          blanks. Trailing blanks are dropped.

      (2) When a "literal" is included in the field description, enter
          the literal value, left-justified, exactly as specified in
          Part II Record Layouts. Only the value of the literal
          (including embedded blanks) must be entered. Trailing
          blanks are dropped.

   b. Numeric Fields - Variable Format

      (1) Unsigned numeric fields: In most cases, leading zeros may
          be dropped.

          Leading zeros cannot be dropped from the following:
          Date fields, Ratio (percentage) fields, Business Code
          field of Schedules C/C-EZ; Agricultural Activity Code field
          of Schedule F; Two-digit value of the Post of Duty field of
          Forms 2555/2555EZ; "Type of Use" fields of Form 4136.

      (2) Signed numeric fields (money amounts): Leading zeros are
          dropped. For a positive value, the trailing blank that
          indicates a gain is dropped. For a negative value in a
          field that can contain either a gain or a loss, the minus
          sign ("-") must be entered in the last position of the
          signed numeric field.

      (3) Signed numeric fields that can also contain literal values:
          Enter signed numeric fields as described above. When entering
          a literal value, left-justify the field; it is not necessary
          to enter trailing blanks.

Section 2 – Transmission File Format

.02 **Fixed and Variable Length Options (continued)**

c. Tax Form, Schedule, and Form Records - Variable Format

When transmitting in variable format, each Tax Form (Form 1040/1040A/1040EZ), Schedule, and Form Record will begin with the Record Control Information (Byte Count and Start of Record Sentinel fields) in the same fixed format shown in the record layouts. The Record Control Information is followed by the Record ID Group. Following the Record ID Group are the data fields. Each data field is preceded by the applicable Field Sequence Number, which is enclosed by square bracket field delimiters, "["and"]" The Field Sequence Number is a 4-position number. However, it is permissible to drop the first zero when bracketing the field sequence number. A minimum of three positions must be present. For example, you can use [0010] of [010] for Primary SSN of Page 1 of the Tax Return record. The Record Terminus Character (#) follows the the last data field in the record.

Example:
nnnn****RECORD ID GROUP [1st field sequence number]DATA…[next field sequence number]DATA...# ("nnnn" is the record byte count)

NOTE: THE FOLLOWING THREE CHARACTERS "**[**" , "**]**", and "**#**" ARE RESERVED AS DELIMITERS AND CANNOT APPEAR AS DATA CHARACTERS. See Section 5 for information about types of characters in electronically filed returns.

d. Preparer Note, Election Explanation and Regulatory Explanation Records

If fewer than 4000 characters of data are present for one of these records, the terminus character can be entered immediately following the last significant character.

e. State Records - Variable Format

See Section 12 for file format specifications for Federal/State Electronic Filing.

f. Statement and Summary Records - Variable Format

All data fields of the Statement and Summary Records must be formatted as fixed length fields. If a field contains no data, it must be blank-filled or zero-filled, as appropriate.

When transmitting in variable format, each Statement and Summary Record will begin with the Record Control Information (Byte Count and Start of Record Sentinel fields) in the same fixed format shown in the Part II Record Layouts. This is followed by the Record ID Group, the data fields formatted as fixed length fields, and the Record Terminus Character (#).

See Section 8 for Statement Record information.

Section 2 – Transmission File Format

.02 Fixed and Variable Length Options (continued)

3. **Examples of Fixed and Variable Formats**

   a. Tax Form Record (Form 1040) - Variable Format

```
---------1--------2--------3-------4-------5----------6
0444****RET  1040  PG01 111001111  200012 [007]509280136201
0001[008]00510070001003[010]111001111[030]111002222[050]DIV
E[060]DEEPE C<DIVER[080]3333 QUACK BLVD[083]SEAPORT[087]CA[
095]90012[110]X[130]3[140]CORAL DIVER[160]X[167]1[360]01[37
5]20302[600]20302[750]20302#0176****RET  1040  PG02 111001
111 200012 [770]20302[789]2500[800]17802[810]1950[820]15852
[1030]2511[1130]2511[1160]4401[1250]4401[1260]1890[1270]129
0[1280]600[1323]SWIMMER#
```

   b. Tax Form Record (Form 1040EZ) - Variable Format

```
---------1--------2--------3-------4-------5----------6
0263****RET  1040Z PG01 111001111  200012 [007]509280136201
0001[008] 00510070001003[010]111001111[030]111002222[050]DIV
E[060]DEEPE C<DIVER[080]3333 QUACK BLVD[083]SEAPORT[087]CA[
095]90012[110]X[375]20302[750]20302[820]15852[1160]4401[126
0]1890[1270]1290[1280]600[1323]SWIMMER#
```

   c. Schedule Record - Fixed Format

```
---------1--------2--------3-------4-------5----------6
0308****SCH CZ1040  PG01 111001111 0000001DEEP C DIVERbbbbb
bbbbbbbbbbbbbbbbbbbb111001111BAKERYbbbbbbbbbbbbbbbb000612FLOWER
BAKERYbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb987654321555 BOTANIC
AL BLVDbbbbbbbbbbbbbbbbbbbbbGARDEN CITY NJ 07011bbbbbbbbbbX0000
0012000 00000002000 00000010000 12121996001000000000000000X
          X X X #
```

   d. Schedule Record - Variable Format

```
---------1--------2--------3-------4-------5----------6
0183****SCH A1040  PG01 222002222 0000001[090]2900[100]797
[130]PERSONAL PROPERTY[135]800[140]800[150]4497[160]14000[2
90]1000[350]400[360]14000[380]3500[395]600[410]4100[520]229
97#
```

   e. Form Record - Fixed Format

```
---------1--------2--------3-------4-------5----------6
0118****FRM  3903  PG01 111001111 0000001bbbbbbbbbbbbb0000
0010000 00000000000 00000010000 00000006000 00000004000 #
```

   f. Form Record - Variable Format

```
---------1--------2------3-------4--------5----------6
0082****FRM  3903  PG01 222002222 0000001[040]10000[044]10
000[052]6000[180]4000#
```

.02 Fixed and Variable Length Options (continued)

3.   **Examples of Fixed and Variable Formats (continued)**

   g. STCGL/LTCGL – **Variable** Format |

   Form 1040 return with a 1040 Schedule D form and 2 occurrences of
   Form 8865 with the first 3 pages. (Maximum STCGL = 15,000 per this
   example. Maximum LTCGL = 15,000 per this example.)

```
1234567891123456789212345678931234567894123456789512345678961234567897123456
        0        0        0        0        0        0        0
0250****RET   1040  PG01 007018865 200212 [0007]…..
0173****RET   1040  PG02 007018865 200212 [0770]25000…..
0253****FRM   W-2   PG01 007018865 0000001[0040]871234567…..
0117****STCGL SCH  DPG01 007018865 000000010000001ANY COMPANY
123100000000100+00000000390+00000003450+#
0117****STCGL SCH  DPG01 007018865 000000010000002
123100000000100+00000000090+00000000450-#
0117****STCGL SCH  DPG01 007018865 000000010000003ONLY COMPANY
123100000000100+00000000090+00000000060+#
"     "        "     "        "     "        "
0175****SCH  D1040  PG01 007018865 0000001[0020]STCGL……
0117****STCGL 8865  PG01 007018865 000000010000001          200201012002
123100000000100+00000000090+00000000070+#
0117****STCGL 8865  PG01 007018865 000000010000002          200201012002
123100000000100+00000000090+00000000010+#
"     "        "     "        "     "        "
0129****LTCGL 8865  PG01 007018865 000000010000001          200201012002
123100000000050+00000000040+00000000010+          #
"     "        "     "        "     "        "
0129****LTCGL 8865  PG01 007018865 000000010004973          200201012002
123100000000050+00000000040+00000000010+          #
0129****LTCGL 8865  PG01 007018865 000000010004974          200201012002
123100000000050+00000000040+00000000010+          #
"     "        "     "        "     "        "
0098****FRM   8865  PG01 007018865 0000001[0006]200201……
0095****FRM   8865  PG02 007018865 0000001[1040]X…..
0129****FRM   8865  PG03 007018865 0000001[2480]STCGL[2490]20011015[2500]200
11031[2510]500[2520]200[2530]300[2750]300[2760]LTCGL#
0117****STCGL 8865  PG01 007018865 00000020000001          200201012002
123100000000100+00000000090+00000000070+#
0117****STCGL 8865  PG01 007018865 00000020000002          200201012002
123100000000100+00000000090+00000000010+#
"     "        "     "        "     "        "
0129****LTCGL 8865  PG01 007018865 00000020000001          200201012002
123100000000050+00000000040+00000000010+          #
0129****LTCGL 8865  PG01 007018865 00000020000002          200201012002
123100000000050+00000000040+00000000010+          #
"     "        "     "        "     "        "
0098****FRM   8865  PG01 007018865 0000002[0006]200201…..
0095****FRM   8865  PG02 007018865 0000002[1040]X…..
0129****FRM   8865  PG03 007018865 0000002[2480]STCGL[2490]20011015[2500]200
11031[2510]500[2520]200[2530]300[2750]300[2760]LTCGL#
0244****SUM            007018865       ANY CO
 169999     010023010000000000000000040000000000006543078690000000999.27.3
0.277              12345678
              #
```

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Section 3 – Acknowledgment File Format

.01 **Acknowledgment File Components**

1. Every transmission will be acknowledged by the return of an Acknowledgment File (ACK File) to the transmitter. The Acknowledgment File will be available from the IRS service center to the transmitter within <u>two workdays</u> from the original transmission. The Acknowledgment File must be retrieved before sending a return file transmission.

2. If the entire transmission is rejected **by the Unisys programs**, the ACK File will contain the following:

    a. The original transmitter records (TRANA and TRANB).

    b. One ACK Record Set consisting of an ACK Key Record with a "T" in the Acceptance Code field and one ACK Error Record containing a maximum of 15 transmission reject errors related to this transmission.

    c. The Acknowledgment Recap Record (ACK Recap Record) with Fields 0070 through 0120 zero-filled.

3. If the <u>transmission is accepted</u>, the ACK File will contain the following:

    a. The original TRANA and TRANB sent by the transmitter with Field 0180 of the TRANA record updated with an IRS entry indicating the (<u>Front-End Processing Subsystem</u>/Central Processing Unit) FEPS/CPU Designator.

    b. Next, an Acknowledgment Record (ACK Record Set) is sent for each recognizable return transmitted.

    c. Next, the Acknowledgment Recap Record (ACK Recap Record), which is the original RECAP Record updated with counts of the Total Accepted Returns, Total Duplicated Returns, Total Rejected Returns, Total Duplicated EFT, IRS Computed EFT Count, and IRS Computed Return Count.

    d. And finally, the FEPS-generated Acknowledgment File Name containing the GTX Key (Field 0140 in the ACK Recap Record).

4. The acknowledgment of an individual return is the ACK Record Set. An ACK Record Set consists of one ACK Key Record for an accepted return, or one ACK Key Record followed by up to 96 ACK Error Records for a rejected return.

    a. The ACK Key Record contains information to identify the return it represents, plus a field to indicate how many (if any) ACK Error Records follow. See Section 3.02.1 for the values of the Acceptance Code field of the ACK Key Record and Section 12.08 for the State Packet acknowledgment format.

    b. If present, each ACK Error Record will contain data defining the Error Form Record Type, Error Form Record Number, the Error Form Occurrence for multiple occurrences of schedules or forms, the Error Field Sequence Number, and the Error Reject Code describing the specific error encountered.

.01 Acknowledgment File Components (continued)

 5.   An "A" in the Acceptance Code field of an ACK Key Record indicates
      that the associated tax return has been accepted as a filed tax
      return and will be processed in the same manner as a return originally
      submitted on a paper document. This does not imply that the return
      will pass all IRS validity checks or post to the IRS Master File
      without delays.

 6.   The "D" in the Acceptance Code field of an ACK Key Record indicates that
      the associated tax return has been identified as a duplicate return,
      i.e., a tax return record had previously been transmitted and accepted
      for that Social Security Number.

 7.   The "R" in the Acceptance Code field of an ACK Key Record indicates
      that the associated tax return has been rejected due to a fatal error
      involving the return format, internal consistency, or data errors in a
      key field. The error(s) must be corrected and the return resubmitted
      to the IRS to be considered a filed tax return.

 8.   The "T" in the Acceptance Code field of an ACK Key Record indicates
      that the entire transmission has been rejected.

 9.   The "D" in the Duplicate Code field of an ACK Key Record indicates that
      the DCN is a duplicate or zero.

10.   The "P" in the Duplicate Code of an ACK Key Record indicates that the
      Primary SSN is a duplicate or zero.

11.   The "S" in the Duplicate Code of an ACK Key Record indicates that the
      Spouse SSN is a duplicate or zero.

12.   The "B" in the Debt Code of the ACK Key Record indicates that a debt was
      found on both the FMS and IRS files for this return.

13.   The "F" in the Debt Code of the ACK Key Record indicates that a debt was
      found on the FMS File for this return.

14.   An "I" in the Debt Code of the ACK Key Record indicates that a debt was
      found on the IRS File for this return.

15.   The "N in the Debt Code of the ACK Key Record indicates that no debt
      was found on either the FMS or IRS Files.

16.   The "0" in the **PIN Presence Indicator** means that no PIN is present on
      the return. Form 8453 or Form 8453-OL is required.

17.   The "1" in the **PIN Presence Indicator** means that **Practitioner PIN is
      present on the return**.

18.   The "2" in the **PIN Presence Indicator** means that **Self-Select PIN
      by Practitioner is present on the return**.

Section 3 – Acknowledgment File Format

.01 <u>Acknowledgment File Components (continued)</u>

19. The "**3**" in the **PIN Presence Indicator** means that **Self-Select PIN On-Line is present on the return.**

20. **The "4" in the PIN Presence Indicator means that a State-Only |
    return was filed and no PIN, Form 8453 or 8453-OL is required. |**

21. A "(blank) " in the **PIN Presence Indicator** means that a **return with a PIN was rejected**. Up to 96 ACK Error Record(s) may be furnished to the electronic filer, one for each three-position Error Reject Code. Filers should use these Error Reject Codes to determine the source of the error causing the return (or transmission) to be rejected. If more than the maximum number of reject conditions are identified, the last reject code will be **"0999"**. |

22. The Error Reject Codes and references to validation criteria related to the error conditions are listed in Attachment 1. Filers should use this information to resolve reject conditions. When a condition cannot be resolved with the information provided, the filer should contact the Electronic Filing Unit at the applicable submission processing center for assistance.

Section 3 – Acknowledgment File Format

.02 **Acknowledgment File Record Layouts**

1. <u>ACK KEY Record</u> - Acknowledgment File Key Record

Field No.	Identification	Form Ref.	Length	Field Description
	Byte Count		4	"0120"
	Start of Record Sentinel		4	Value "****"
0000	Record ID		6	Value "ACKbbb"
0005	**Reserved IP Address Code**		**1**	**"R" = Reserved |** **or Blank |**
0010	Filler		**1**	Blank |
0020	Taxpayer Identification Number		9	N (Primary SSN)
0030	Return Sequence Number		16	Numeric ETIN (5), Transmitter's Use Code (2), Julian Day (3), Trans Seq Num (2), Seq Num for Return(4)
0040	Expected Refund or Balance Due		12	Refund or Balance Due from Applicable Return
0050	Acceptance Code		1	"A" = Accepted "R" = Rejected "D" = Duplicated Return "T" = Transmission Rejected
0060	Duplicate Code		3	"D" = Duplicate DCN or zero "P" = Duplicate Primary SSN or zero "S" = Duplicate Spouse SSN or zero
0065	PIN Presence Indicator		1	"0" = No PIN 8453 or 8453-OL Required "1" = Practitioner PIN "2" = Self-Select PIN by Practioner Used "3" = Self-Select PIN On-Line Used **"4" = State-Only |** **No PIN |** **8453 or 8453-OL |** **Required |** Blank = Rejected Return
0070	EFT Code		1	Blank

.02 **Acknowledgment File Record Layouts (continued)**

1. ACK KEY Record (continued)

Field No.	Identification	Form Ref.	Length	Field Description
0080	Date Accepted		8	DT Format = YYYYMMDD
0090	Return DCN		14	N
0100	Number of Error Records		2	N Range 00-96
0110	Filler		13	Reserved
0115	Payment Acknowledgement Literal		15	"PYMNT RQST RVCD" or blank
0117	Date of Birth Validity Code		1	"0" = DOB Validation Not Required "1" = All DOB(s) Valid "2" = Primary DOB Mismatch "3" = Spouse DOB Mismatch "4" = Both DOB(s) Mismatch
0118	Filler		2	blank
0119	State-Only Code		2	"SO"
0120	Debt Code		1	"N" = None "I" = IRS Debt "F" = FMS Debt "B" = IRS and FMS debt or blank
0130	State Packet Code		2	blank or valid state code
	Record Terminus Character		**1**	**Value "#"**

Section 3 – Acknowledgment File Format

.02 Acknowledgment File Record Layouts (continued)

2. ACK ERR Record - Acknowledgment File Error Record

Field No.	Identification	Form Ref.	Length	Field Description
	Byte Count		4	"0120"
	Start of Record Sentinel		4	Value "****"
0000	Record ID		6	Value "ACKRbb"
0010	Taxpayer Identification Number		9	N (Primary SSN) (Must match ACK Key Record)
0020	Reserved		7	Blank
0030	Error Record Sequence Number		2	N, 01-96
0040	Error Form Record ID		6	AN
0050	Error Form Record Type		6	AN
0060	Error Form Page Number		5	"PG00b" (page number is "00" (zero) for all IMF ACK ERR records)
0070	Error Form Occurrence		7	N (0000001-000050)
0080	Error Field Sequence Number		4	N
0090	Error Reject Code		4	N (nnnn) (Refer to Attachment 1)
0100	Filler		55	blank
	Record Terminus Character		1	Value "#"

Section 3 – Acknowledgment File Format

.02 Acknowledgment File Record Layouts (continued)

3.   ACK ERR Record - Acknowledgment File Error Record
     (For STCGL/LTCGL ONLY)

Field No.	Identification	Form Ref.	Length	Field Description
	Byte Count		4	"0120"
	Start of Record Sentinel		4	Value "****"
0000	Record ID		6	Value "ACKRbb"
0010	Taxpayer Identification Number		9	N (Primary SSN) (Must match ACK Key Record)
0020	Reserved		7	Blank
0030	Error Record Sequence Number		2	N, 01-96
0040	Error Form Record ID		6	STCGL, LTCGL
0050	Error Form Record Type		6	Sch D, 8865-1, 8865-2, 8865-3, 8865-4, 8865-5
0060	Error Form Page Number		5	"PG00b" (page number is 00" (zero) for all IMF ACK ERR records)
0070	Error Form Occurrence		7	N (0000001-005000)
0080	Error Field Sequence Number		4	N
0090	Error Reject Code		4	N (nnnn)(Refer to Attachment 1)
0100	Filler		55	blank
	Record Terminus Character		1	Value "#"

.02 **Acknowledgment File Record Layouts** (continued)

4. ACK RECAP Record - Acknowledgement File Recap Record

Field No.	Identification	Form Ref.	Length	Field Description
	Byte Count		4	"0120"
	Start of Record Sentinel		4	Value "****"
0000	Record ID		6	"RECAPb"
0010	Filler		8	Blank
0020	Total EFT Count		6	N
0030	Total Return Count		6	N, Range = (000001 999999)
0040	Electronic Transmitter Identification Number (ETIN)		7	N (includes Transmitter's Use Code)
0050	Julian Day of Transmission		3	N (Must be the same as on the TRANA record)
0060	Transmission Sequence		2	N
0070	Total Accepted Returns		6	IRS USE ONLY
0080	Total Duplicated Returns		6	IRS USE ONLY
0090	Total Rejected Returns		6	IRS USE ONLY
0100	Total Duplicated EFT		6	IRS USE ONLY
0110	IRS Computed EFT Count		6	IRS USE ONLY
0120	IRS Computed Return Count		6	IRS USE ONLY
0130	Total State-Only Return Count		6	N Range = (000001 999999)
0135	Total Accepted State-Only Returns		6	N Range = (000001 999999)
0137	Filler		5	Blank
0140	Acknowledgment File Name (GTX Key)		20	AN
	Record Terminus Character		1	Value "#"

.02 **Acknowledgment File Record Layouts (continued)**

4. **ACK RECAP Record - Acknowledgement File Recap Record (continued**)

    NOTE: Fields 0000 and 0020-0060 are identical to those in the original RECAP Record.

                Fields 0110 and 0120 are computed by IRS.

                Fields 0000 and 0020-0060 are identical to those in the original RECAP Record.

                Fields 0070, 0080, 0090, 0100, 0110, 0120, and 0140 are computed by IRS.

Section 3 — Acknowledgment File Format

.03 Examples of ACK Records

1. Example of Accepted Refund Return:

```
---------1---------2---------3---------4---------5---------6--------7--------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SAGENTD200102
01199990003201AV729999bbbbbbbbbbbbbbbPbE#0120****TRANBb12345678931311bDEMOCRATbRDbbb
bbbbbbbbbbbbbbbbbbbMEMPHISbTNbb38110bbbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#
0120****ACKbbbbb4444444441999900032010695000000003365+A000Yb0201200100729999006941
000000000000680bbbbbbbbbbbbbbbbbbbbbbbNbb#0120****RECAPbbbbbbbbbb00007000067199990003
201000035000000000032000000000007000067bbbbbbbbbbbbbbbbbbbT20011125101553.0100#
```

2. Example of Rejected Refund Return:

```
---------1---------2---------3----------4--------5---------6--------7--------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SbAGENTD200102
01199990003201AV729999bbbbbbbbbbbbbbbPbE#0120****TRANBb12345678931311bDEMOCRATbRDbb
bbbbbbbbbbbbbbbbbbbMEMPHISbTNbb38100bbbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#01
20****ACKbbbbb4444444441999900032010696000000000326+R000bb020120010072999900695102
0000000000690bbbbbbbbbbbbbbbbbbbbbbbbbb#0120****ACKRbb444444444bbbbbbbb01FRMbbb1116bbP
G00b000001400000030bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb#0120*
***ACKRbb444444444bbbbbbbb02FRMbbb1116bbPG00b000000000000045bbbbbbbbbbbbbbbbbbbbbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb#0120****RECAPbbbbbbbbbb00007000067199990003201000
00350000000000320000000000070000067bbbbbbbbbbbbbbbbbbbT20011123111015.0200#
```

3. Example of Rejected Transmission:

```
---------1---------2---------3----------4--------5---------6--------7--------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SbAGENTD200102
01199990003201AV729999bbbbbbbbbbbbbbbPbA#0120****TRANBb12345678931311bDEMOCRATbRDbbb
bbbbbbbbbbbbbbbbbbbMEMPHISbTNbb38100bbbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#012
0****ACKbbbbb00000000000000000000000000000000T0000000000000000000000000000010
00000000000000000000000000000000#0120****ACKRbb000000000bbbbbbbb840000000000000
000000000000000000000000000000000000000000000000000000000#0120***
*RECAPbbbbbbbbbb00007000067199990003201000000000000000000000000000007000067bbbbbb
bbbbbbbbbbbbT20010110200001.0100#
```

Note: If more than one transmission reject code is applicable, the additional
reject codes will be placed in Field 0100. The maximum number of 15
transmission reject codes can be present.

4. Example of Accepted Refund Return with State Packet Attached:

```
---------1---------2---------3---------4---------5---------6---------7---------8
0120****TRANAb123456789EFILEbINCbbbbbbbbbbbbbbbbbbbbbbbbbbbbbPREPARER'SAGENTD200102
01199990003201AV729999bbbbbbbbbbbbbbPbB#0120****TRANBb12345678931311bDEMOCRATbRDbbb
bbbbbbbbbbbbbbbbbbMEMPHISbTNbb38110bbbbbbbbbbbbbbbbbbbbb9011234567bbbbbbbbbbbbbbbbbb#012
0****ACKbbbbb44444444199990003201069500000000365+A000Yb0201200100729999006941000
000000000680bbbbbbbbbbbbbbbbbbbbbbbNSC#0120****RECAPbbbbbbbbbb00007000067199990003201
00003500000000003200000000000070000067bbbbbbbbbbbbbbbbbbbbT20010110200101.0700#
```

Section 3 – Acknowledgment File Format

.04   How to Batch and Match Returns with Acknowledgment Files

1.   File Names

The following information is provided to filers who may not be
aware of how to batch their returns and match them up later with
Acknowledgment Files. Because filers request to "re-hang"
Acknowledgment Files so frequently, it may be that their software
is not reading and storing properly the ACK File Name(s) that appear
within the ACK File Transmission. **The ACK File Name is generated
by the Front-End Processing Subsystem (FEPS) as a 20 byte GTX Key
and passed onto the UNISYS with the return file.** After UNISYS
processing, this ACK File Name is returned with the ACK file in
the RECAP record. When the ACK file is returned to the Transmitter,
it is renamed to a DOS 8.3 byte format called the ACK Reference
File Name with an extension. The name contains the same month
and day from the GTX Key, a 4 digit sequence number assigned by
the FEPS for that transmission, followed by the extension. **See
Figure 30** for an explanation of the extension.

How to Batch Returns

Returns are to be transmitted, using the following specifications
from the latest version of the Electronic Return File Specifications
and Record Layouts.

a. In Part II, **Section 1**, the record layout for the TRANA, the first
   record in any transmission, indicates where the return file batch
   information is to be entered.

b. In Field 0060, the 5 digit ELECTRONIC TRANSMITTER IDENTIFICATION
   NUMBER (ETIN) assigned by the IRS, is entered. This is followed
   by TRANSMITTER'S USE CODE, 2 digits of the transmitter's choice to
   specify the type of returns (some transmitters use this field to
   identify which office or branch it belongs to or if it is a RAL
   return, etc.). It can also be left blank or zero filled.

c. In Field 0070, the 3 digit JULIAN DAY (001-365) follows.
   Field 0080 is composed of 2 digit TRANSMISSION SEQUENCE NO (00-99)
   for the above Julian Day.

d. In Part II, **Section 2**, the record layout for the TAX RETURN RECORD
   for page 1 of either the Form 1040, 1040A, or 1040EZ, indicates
   where the RETURN SEQUENCE NUMBER is entered, which is used for each
   return within the batch identified in the TRANA record above.

.04   How to Batch and Match Returns with Acknowledgment Files (continued)

   e. Field 0007, the 16 digit RETURN SEQUENCE NUMBER (RSN), is composed
      of the following sub-fields:

      a. ETIN of Transmitter   5n = Field 0060 of the TRANA
      b. TRANSMITTER'S USE FIELD   2n = Field 0060 of the TRANA
      c. JULIAN DAY
          OF TRANSMISSION   3n = Field 0070 of the TRANA
      d. TRANSMISSION SEQUENCE NUMBER   2n = Field 0080 of the TRANA
                                              (00-99)
      e. SEQUENCE NO. OF EACH RETURN   4n = 0000-9999

 NOTE: Dial-up filers using ZMODEM with Checkpoint/Restart can file
       more than 500 returns per transmission with a maximum of 10,000.
       Dedicated leased line filers can file a maximum of 10,000 returns.

   f. In Field 0008, the 14 digit DECLARATION CONTROL NUMBER (DCN), that
      is also used on the corresponding Form 8453 signature document, is
      composed of the following sub-fields:

      a. Always 00   2n = 00
      b. EFIN of ERO   6n = (Assigned to ERO by IRS)
      c. Batch Number of EROs returns   3n = 000-999
      d. Serial Number of return in batch 2n = 00-99
      e. Year   1n = (ending digit of tax year)

   g. In Part II, the record layout appears for the RECAP record, which   -|
      ends a transmission.

   h. In Field 0040, the ETIN and TRANSMITTER'S USE CODE must equal the
      same one in Field 0060 of the TRANA.

   i. In Field 0050, the JULIAN DAY must equal the JULIAN DAY in
      Field 0070 of the TRANA.

   j. In Field 0060, the TRANSMISSION SEQUENCE NUMBER must equal Field 0080
      of the TRANA.

 2. Assignment of File Name by FEPS

   a. After transmitting a file, the system indicates that it was
       successfully received with the message: "**Transmission file has
       been received with the following GTX Key:**

                Syyymmddhhmmss.xxxx   **mmddnnnn**

       The Global Transaction (GTX) key is a series of unique numbers
       identifying the system that received it and day/time information.
       After the GTX key, the system generates a unique file name for
       the transmission that will be used as part of the Acknowledgment
       Reference File Name returned to the transmitter. The GTX Key is
       placed in field 0140 of the Acknowledgment File ACK RECAP Record.
       Transmissions and acknowledgments can be matched using the 20
       character GTX Key, the ETIN, and/or the ACK Reference File Name.

Section 3 – Acknowledgment File Format

.04   How to Batch and Match Returns with Acknowledgment Files

b. The Acknowledgment Reference File Name consists of the 4-digit numerical representation of the transmission month and day (MMDD) followed by a 4-digit sequence number for the transmissions received to date for that transmitter (0000-9999). The Acknowledgment Reference File Name will be part of the file name returned to the transmitter.

CAUTION: After receiving transmission 9,999, the system begins to number again with 0000 or the next available sequence number after 0000. Therefore, if large transmitters do not pick up ACK files within a few days, they may see this number repeated and not be able to identify which batch is which, or their software may overwrite a previous ACK file in their directory on their PC.

CAUTION: If more than 100 batches per ETIN in a day are filed, the transmitter should request another ETIN.

Section 3 – Acknowledgment File Format

.04 How to Batch and Match Returns with Acknowledgment Files (continued)

  3. Receiving, Locating, Storing, and Matching ACK Files

   a. In Part I, **Section 3.01**, the Acknowledgment File format appears.
      It is composed of the original TRANA and TRANB received from the
      Transmitter, followed by the ACK KEY Record, ACK ERR Record(s) as
      applicable, and the ACK RECAP record.

   b. In Part I, **Section 2.02**, the ACK KEY RECORD is outlined.

      (1) Field 0030 contains the RETURN SEQUENCE NUMBER (RSN) as
           submitted by the Transmitter in Field 0007 of page 1, 1040,
           1040A, 1040EZ.

      (2) Field 0090 contains the return Declaration Control Number (DCN),
           as submitted by the Transmitter in Field 0000, page 1, 1040,
           1040A, or 1040EZ.

   c. In Part I, **Section 2.02**, the ACK RECAP is outlined.

      (1) Field 0040 contains the ETIN plus TRANSMITTER'S USE CODE as in
           the original transmitter's RECAP.

      (2) Field 0050 contains the JULIAN DAY OF TRANSMISSION as in the
           original transmitter's RECAP.

      (3) Field 0060 contains the TRANSMISSION SEQUENCE NUMBER FOR JULIAN
           DAY in Field 0050, as in the original transmitter's RECAP.

      (4) Field 0140 contains the ACKNOWLEDGMENT FILE NAME, which was
           generated by the FEPS in the **"Transmission file has been
           received with the following GTX Key"** message. (Software
           developers/transmitters must program to wait for this message
           and should store the File Name for comparison with the ACK File
           transmission when received.)

   d. In summary, the transmitter and ERO have numerous ways of matching
      up their batches of return files they transmitted with the ACK
      files they receive. The way ACK Files are transmitted back to the
      transmitter depends on the file transfer protocol the transmitter
      is using to pick them up. If transmitters do not write their
      software to parse out the individual ACK files that may be sent in
      one big transmission, they will not realize they have received more
      than one ACK File. Refer to Part I, Section 1.02.

.04 **How to Batch and Match Returns with Acknowledgment Files**

    e. CAUTION:

                                                                         -|
        -|
        -|
        -|
        -|
        -|

    (1) If using YMODEM-Batch, up to 50 Acknowledgment Files are
        sent as separate files within the transmission. Block
        zero ("0") identifies the filename. Data is transmitted
        starting in Block one ("1") up to Block "255" and then rolls
        to Block "0". The last block for the file is padded with
        "Ctrl Z" characters. The next transmission packet should
        be the End of Transmission (EOT) character (ASCII – "cntl d").
        If there is another file, the next block, Block "0" will
        contain the next filename. Otherwise a Block "0" without a
        filename will be followed by the EOT character.

    (2) If using ZMODEM, Acknowledgment Files are sent as separate   -|
        files within the transmission, with "zfile" and "eof"
        in between each file, with a "zfin" at the end of all files.
        Filer's software should read for the "zfile" and "eof" and
        store the file under the IRS File Name in the directory for
        each ACK File within the ACK transmission. The Front-End
        Processing System is set to overwrite when sending ACK Files.

    (3) Sometimes transmitters will use a different protocol if they
        are having problems with one. **Transmitter's software must be**
        flexible to handle the above rules when various file transfer
        protocols might be used in order to parse their individual ACK
        files properly for correct storage in their directories.
        Otherwise, transmitters may not realize they have received more
        than one ACK file and store multiples under one of the ACK File
        Names.

    f. ETD Batching and Matching

        The ETD batching and Acknowledgment File processing follow the
        same patterns as 1040 returns.

Section 4 – Types of Records

.01 Transmitter Records

See Part II Record Layouts for the exact formats of the Trans Record "A" (TRANA), Trans Record "B" (TRANB), and RECAP Record.

1. TRANA and TRANB Records*

    The first two records of a transmitted file are the Transmitter Records TRANA and TRANB. These records contain data entered by the transmitter. (The "transmitter" is defined as the firm transmitting directly to the IRS.)

2. RECAP Record

    The RECAP Record follows the Tax Return Records and is the final record of a transmitted file. The RECAP Record provides balancing counts for the tax returns contained in the transmitted file.

.02 Tax Return Records

See Part II Record Layouts for the exact formats of individual records listed below. All records within a tax return should appear in the order listed in Part II, Record Layouts or in the order of the Attachment Sequence Number preprinted on the corresponding paper form. (Refer to Section 2.01, Item **11**) |

All "total" fields must have a significant entry when there are amounts leading to the total. Any "total" field that has a significant entry must have at least one significant amount leading to that total. Otherwise, processing of the tax return will be delayed to resolve the discrepancy.

1. Tax Form Record

    Each tax return must begin with the Tax Form Record, which consists of Form 1040 Page 1 and Form 1040 Page 2, or Form 1040A Page 1 and Form 1040A Page 2, or Form 1040EZ Page 1.

2. Schedule and Form Records

    Some schedules and forms consist of multiple pages. Each page of a multiple-page schedule or form is a separate record within the tax return.

    Multiple occurrences of certain schedules and forms are permitted. Refer to Attachment 10 for a list of the maximum number of schedules and forms permitted in an electronically filed tax return. When there are multiple occurrences of schedules or forms, the Page Number must be sequential within the Form/Schedule Occurrence Number of the schedule or within the Form Occurrence Number of a form.

Section 4 – Types of Records

.02 Tax Return Records (continued)

    a. Instructions for Multiple Occurrences of Schedules C and C-EZ:

       Schedule C and Schedule C-EZ are separate schedule types. The Form/Schedule Occurrence Number in the Record ID must be incremented starting with "0000001" for each schedule type. For example, if a joint return contains four Schedules C for the primary taxpayer and one Schedule C-EZ for the secondary taxpayer, the first Schedule C will contain "0000001" in the Form/Schedule Occurrence Number, the second Schedule C will contain "0000002" in the Form/Schedule Occurrence Number, etc. The Form/Schedule Occurrence Number for the Schedule C-EZ will contain "0000001". If this format is not followed, the return may be rejected or the refund delayed.

       The number of Schedules C plus the number of Schedules C-EZ cannot exceed a total of **eight**. When **eight** Schedules C are transmitted, | no Schedule C-EZ can be transmitted. When a Schedule C-EZ is transmitted for a taxpayer, no Schedule C can be transmitted for the same taxpayer.

    b. The "Form Payment" record is considered to be a form, although there is no equivalent paper form.

3.   <u>Foreign Employer Compensation (FEC) Record</u>

    The FEC RECORD is required information to support entries to Line 7, Forms 1040 and 1040A, and Line 1, Form 1040EZ, for compensation received from non-U.S. employers who do not have EIN's nor issue Forms W-2. The FEC RECORD must be completed when the Foreign Employer Compensation Literal, Field No. 0378 of the Tax Form indicates "FEC". A maximum of 10 FEC RECORD's are permitted. The total of Foreign Employer Compensation Amount(s) from Field No. 0220 of the FEC RECORD(s) is reported in the Foreign Employer Compensation Total, Field No. 0379, of Forms 1040, 1040A, and 1040EZ. The appropriate address fields, U.S. or Foreign, must be completed on the FEC RECORD to identify the location at which the wage-recipient resided when the services for the Foreign Employer were performed. If the services for the Foreign Employer were performed in the U.S., enter numeric value "00" (not shown in the POD Code Table) for the Post of Duty Code Field No. 0130.

4.   <u>Authentication Record</u>

    The Authentication (ATH) Record is used when the taxpayer(s) is filing an On-Line return and/or electing to use the Self-Select or Practitioner PIN (Personal Identification Number) for **e**-file signature option. Only one Authentication Record is permitted per tax return.

5.   <u>Statement Records</u>

    Statement Records can only be used by the electronic filer when the number of data items exceeds the number that can be contained in the space provided on the printed schedule or form, or when the data must be provided on a separate continuation statement record, or when a statement of explanation is required for a specific condition.

    See Section 8 for Statement Record information.

.02 Tax Return Records (continued)

6. STCGL/LTCGL Records

    "STCGL" is the Short Term Capital Gain or Loss Record and "LTCGL" is
    the Long Term Capital Gain or Loss Record. Each record is considered
    a separate transaction. These transaction records are used when there
    is a need to transmit five or more transactions with an electronically
    filed return. (Use the Schedule D to report four or less for short term
    and long term transactions.) Each Schedule D and/or F8865 occurrence
    may have up to 5000 transaction records (i.e.,5000 short term and 5000
    long term). The "STCGL" and/or "LTCGL" transaction record must be
    transmitted prior to the parent form (i.e., Sch. D or 8865). The
    "STCGL" can be submitted without the "LTCGL" and vice versa. When the
    "STCGL" or "LTCGL" transaction record is present, then "STCGL" or
    "LTCGL" record CANNOT be blank. All "STCGL" and/or "LTCGL" transaction
    records must be in the appropriate numerical order based on occurrence
    number within subpart occurrence and each set must start with "0000001".

7. Preparer Note, Election Explanation and Regulatory Explanation Records

    a. Preparer Note (NTE) records can be used by the paid preparer,
       electronic return originator or taxpayer to provide additional,
       voluntary information related to the tax return but not required
       to be attached to it.

    b. Election Explanation (ELC) records are used when the taxpayer makes
       an election for certain tax treatment, status, exception or exemption
       based on an instruction for the tax form or in a related tax
       publication when there is no official IRS form designed for that
       purpose. The specific "election" must be cited followed by any
       explanatory or supporting information required. Multiple elections
       can be combined on one page record; separate page records can be used
       for each applicable election; and/or, multiple page records can be
       used for one election. The maximum number of ELC page records is 20.
       Enter the terminus character (#) after the last significant character
       in each ELC page record.

    c. Regulatory Explanation (REG) records are similar to Election
       Explanation records and are used when the taxpayer cites a specific
       regulation for certain tax treatment, status, exception or exemption
       when there is no official IRS form designed for that purpose. The
       specific "regulation" must be cited followed by any explanatory or
       supporting information required. Multiple regulatory explanations can
       be combined on one page record; separate page records can be used for
       each applicable regulation cited; and/or, multiple page records can be
       used for one regulatory explanation. The maximum number of REG page
       records is 20. Enter the terminus character (#) after the last
       significant character in each REG page record.

Section 4 – Types of Records

.02 Tax Return Records (continued)

8. State Records

   State Records include the Generic Record "STbbbb0001bb" and the Unformatted Record "STbbbb0002bb". There can be only one Generic Record for each return. There can be up to nine Unformatted Records for each return. The Generic Record must be present and must precede any other State Record.

   See Section 12 for specifications and examples of the State Records.

9. Summary Record

   The Summary Record is the final record for each tax return. This record contains electronic filer identification data, the counts for Form, Schedule, Authentication, Statement, Preparer Note, Election Explanation, and Regulatory Explanation Records included in the return, and the paper document indicators. (A value of "1" in a paper document indicator field shows that the paper document specified is a part of the return and has been attached to the Form 8453). It also contains the Electronic Postmark fields, the IP (Internet Protocol) fields and the Software Identification fields.

Section 5 – Types of Characters

This section identifies the types of characters that are valid for an electronically filed return. Although characters other than these may be entered by a taxpayer on the paper form, the invalid characters are not key entered to the electronically filed return.

THE FOLLOWING THREE CHARACTERS "**[**" , "**]**", and "**#**" ARE RESERVED AS DELIMITERS AND CANNOT APPEAR AS DATA CHARACTERS. The left ([) and right (]) brackets are used to enclose Field Sequence Numbers. The Pound Sign (#) (Record Terminus Character) is used to indicate the End of Record.

.01 **Allowable Characters**

1. Alpha (A)

    Upper case alpha characters only: A - Z

    Literal values - Enter exact character string from the Field Description in Part II Record Layouts.

2. Numeric (N)

    Numeric characters only: 0 - 9

    a. **MONEY AMOUNT** (N) (Signed Numeric) -

        Enter whole dollar amounts (do not enter cents).

        (1) Fixed format: 12 characters, right-justified with leading zeros; the right-most position is reserved for the sign. A blank ( ) indicates a gain and a minus sign (-) indicates a loss.

            Non-significant - Zero-fill the field, reserving the right-most position for the sign.

        (2) Variable format: Leading zeros are dropped. For a positive value, the trailing blank that indicates a gain is dropped. For a negative value in a field that can contain either a gain or a loss, the minus sign (-) must be present in the last position of the signed numeric field.

            Non-significant - Omit the field.

Section 5 - Types of Characters

.01 **Allowable Characters (continued)**

   b. **RATIO** (R) (percentage) - Left-justify and zero-fill for both fixed
      and variable formats. DO NOT ENTER A DECIMAL POINT. Other than the
      exception listed below, ratio fields contain six numeric characters
      with the decimal point assumed to be between the left-most and the
      second left-most positions. If less than 100%, precede with a zero.

   Examples: 25.32% = 025320, 105% = 105000

   (1) EXCEPTION: "Rate" fields on Form 4136 equal six numeric characters.
       The decimal point is assumed to precede the left-most position.
       Transmit all six positions, left-justified and zero-filled.

   Examples: Rate .183   = 183000
   ```
               Rate .03967 = 039670
               Rate .17      = 170000
   ```

   (4) EXCEPTION: "Rate" fields on Form 5471 equal ten numeric
       characters. Transmit all ten positions, left-justified and
       zero-filled. The decimal point is assumed to be between the
       third and fourth left most position.

   ```
       Examples:  Rate  .76  = 0007600000
                  Rate 1.54  = 0154000000
                  Rate 1     = 0010000000
   ```

   c. **EIN** (Employer ID Number) (N), e.g., if no EIN is present on
      Schedule C or Schedule F - for fixed format, blanks should be
      entered; for variable format, the field should be omitted.

   d. **ZIP CODE** (N) should be left-justified. For fixed format, if there
      are only five Zip Code characters, the seven remaining positions
      can be either blank-filled or zero-filled. For variable format,
      if there are only five Zip Code characters, transmit the five
      numeric characters.

   e. **DATE** (DT) - M = Month, D = Day, Y = Year (YYYY, YYYYMM, YYYYMMDD,
      MMYYYY, MMDDYYYY); if date is not known or covers various dates,
      enter zeros unless otherwise specified in the record layout field
      description. Leading zeros cannot be dropped from date fields for
      both fixed and variable formats.

      If a date field is not defined as "DT" in Part II Record Layouts, then
      the Field Description will specify the required date format.

   f. **OTHER UNSIGNED NUMERIC FIELDS** (N)

   (1) Fixed format: Enter the numeric characters, right-justified and
       zero-filled.

       Non-significant - Blank-fill (unless otherwise specified in the
       Record Layout for that field).

Section 5 - Types of Characters

.01 Allowable Characters (continued)

(2) Variable format: For most unsigned numeric fields other than ratio, EIN, Zip Code, and date fields, leading zeros may be dropped.

Leading zeros cannot be dropped from the Business Code field of Schedules C/C-EZ nor from the Agricultural Activity Code field of Schedule F. The leading zero cannot be dropped from the two-digit value of the Post of Duty field of Forms 2555/2555EZ, **Foreign Employer Compensation (FEC) Record, or** from the "Type of Use" fields of Form 4136.

Non-significant - Omit the field.

3. Alphanumeric (AN)

Upper case alpha characters A - Z; numeric characters 0 - 9; and special characters in cases listed below.

Literal values - Enter exact character string from Field Description in Part II Record Layouts.

Non-significant - For fixed format, blank-fill; for variable format, omit the field.

a. Special Characters - Only the following are permitted in certain cases: Ampersand (&); blank ( ), often shown in the record layouts as "b"; comma (,); hyphen (-); less-than (<); percent (%); plus (+); and slash (/).

b. Special Symbols and their hexadecimal conversion characters for ASCII are below:

Symbol	ASCII Hex		Symbol	ASCII Hex
[	5B		-	2D
]	5D		&	26
#	23		/	2F
<	3C		%	25

Section 5 – Types of Characters

.02 Special Cases for Special Characters

1. Form 1040

    Name Line 1: A - Z; ampersand (&); blank ( ); hyphen (-); and
    less-than (<).

    Name Line 2: A - Z; 0 - 9; ampersand (&); blank ( ); hyphen (-);
    percent (%) for "in care of" address; and slash (/).

    Street Address: A - Z; 0 - 9; blank ( ); hyphen (-); and slash (/).

    City: At least three characters must be entered; A - Z; blank ( );
    APO/FPO - Refer to Attachment 4.

    State: A - Z - Refer to Attachment 3.

    Dependent Names: A - Z; blank ( ); and hyphen (-).

2. Form 5329

    Name of Person Subject to Penalty Tax: A - Z; blank ( ); hyphen (-);
    and less-than (<).

3. Form 8606

    Nondeductible IRA Name: A - Z; blank ( ); hyphen (-);
    and less-than (<).

4. Forms W-2/W-2G/1099-R

    Employer Name: A - Z; 0 - 9; ampersand (&); comma (,); hyphen (-);
    plus (+); and slash (/).

    City/State/Zip: A - Z; 0 - 9; comma (,); and hyphen (-).

5. Foreign Employer/Payer Address on Forms W-2/W-2G/1099-R

    Employer/Payer State: Period (.).

6. Employee, Recipient/Winners with Foreign Address on Form W-2/
    W-2G/1099R

    Employee/Recipient/Winner State: Enter Period (.).

7. Other Schedules/Forms with Similar Fields

    Follow character set instructions for fields that most resemble those
    listed above.

8. Summary Record

    IP Address: 0-9, period (.) or blank ().

Section 6 – Criteria for Filer Front-End Checks

.01 Refund Delay Conditions

The following conditions may delay the refund and/or change the refund amount.

1. Taxpayer owes back taxes, either individual or business (refund offset).

2. Taxpayer owes delinquent child support (refund offset).

3. Taxpayer has certain delinquent federal debit, such as student loans, etc. (refund offset).

4. The last name and social security number of the primary taxpayer must be the same as on last year's return or the return will be delayed at least one week for rematching. It is **strongly** suggested that you use the name as it appears on the mailing label of the tax package.

5. The Estimated Tax payments reported on the return do not match the Estimated Tax payments recorded on the IRS Master File. This generally occurs when:

   a. The spouse made separate Estimated Tax payments and filed a joint return, or vice versa; or

   b. The return was filed before the last Estimated Tax payment was credited to the account.

6. The taxpayer has a Schedule E claiming a deduction for a questionable tax shelter.

7. The taxpayer is claiming a blatantly unallowable deduction.

8. The taxpayer is considered to be a first-time filer. A first-time filer is defined as an taxpayer who has not filed a tax return as a primary or secondary taxpayer during the previous ten years.

Section 6 - Criteria for Filer Front-End Checks

.02 Optional Social Security Number Validation against Label

Preparers may wish to make a computer check on the validity of the SSN's of those taxpayers who have IRS preprinted mailing labels to prevent data entry errors that would result in delayed refunds. The two alpha characters that appear on the IRS label are check digits that can be used to verify the SSN. Use the following formula to validate the transcription of the SSN when the taxpayer presents an IRS mailing label:

1. Generate the high order check digit by multiplying the specific digits by the appropriate weight multiple.

Digit of the SSN	Times	Weight Multiple
1st position (high order)	X	+1
2nd position	X	+2
3rd position	X	-4
4th position	X	+1
5th position	X	+2
6th position	X	-4
7th position	X	+1
8th position	X	+2
9th position	X	-4

2. Add the products to an accumulator. If the net result of the accumulation is within the range of 0 through -22, select the alphabetical equivalent from the alphabetic table below. If the net result is outside the range of the table, check the sign of the accumulation.

   If the sign is plus, subtract 23 from the result; if the sign is minus, add 23 to the result. Repeat this until the result is within the range of the table and select the alphabetic equivalent from the table for the high order position of the check digit.

Section 6 - Criteria for Filer Front-End Checks

.02 **Optional Social Security Number Validation against Label** (continued)

3. Generate the low order position of the check digit by multiplying the specific digits by the appropriate weight multiple.

Digit of the SSN	Times	Weight Multiple
1st position (low order)	X	+1
2nd position	X	-3
3rd position	X	+1
4th position	X	-3
5th position	X	+1
6th position	X	-3
7th position	X	+1
8th position	X	-3
9th position	X	+1

4. Add the products to an accumulator and repeat the calculation in "2" above to arrive at the low order position of the check digit.

5. Alphabetic Table

0 = A	-8 = K	-16 = T
-1 = B	-9 = L	-17 = U
-2 = C	-10 = N	-18 = V
-3 = D	-11 = O	-19 = W
-4 = F	-12 = P	-20 = X
-5 = H	-13 = Q	-21 = Y
-6 = I	-14 = R	-22 = Z
-7 = J	-15 = S	

Section 6 - Criteria for Filer Front-End Checks

.03 SSN Validation

Refer to Attachment 8 for valid ranges of Social Security/Taxpayer Identification Numbers.

.04 Optional Validation of Routing Transit Number (RTN)

Verify the validity of the Routing Transit Number by computing the check digit, which is the ninth digit of the RTN. There may be instances in which the RTN is valid in format and equal to an actual number used by a financial institution, but is not yet on the Financial Management Organization Master File (FOMF). In these cases, the tax return would be rejected.

The steps are as follows:

 1. Multiply each of the first eight digits of the RTN by the appropriate multiplier (the first digit multiplied by 3, the second by 7, the third by 1, the fourth by 3, the fifth by 7, the sixth by 1, the seventh by 3, and the eighth by 7).

 2. Add all the products.

 3. Subtract the sum of all the products from the next multiple of ten.

 4. The remainder is the check digit, which must be equal to the ninth digit of the RTN.

     Note: If the sum of the products is evenly divisible by 10, the check digit is zero (0).

 5. Example:

     If 120139013 were the RTN, verify the check digit as follows:

     a. Multiply each of the first eight digits, 12013901, by 37137137 respectively:

        Routing Transit Number   1   2   0   1   3   9   0   1
        Constant Multiplier   X3   X7   X1   X3   X7   X1   X3   X7
                                  3   14   0   3   21   9   0   7

     b. Add the products: 3 + 14 + 0 + 3 + 21 + 9 + 0 + 7 = 57

     c. Subtract the sum of all the products from the next multiple of ten: 60 - 57 = 3

     d. The remainder is the check digit: 3

     e. If the check digit does not equal the ninth digit of the RTN, verify that the first eight digits of the RTN were correctly entered from the source document and recompute if appropriate.

        Note: If the check digit does not match, the refund cannot be directly deposited.

Section 7 - Formats for Name Controls, Name Lines, and Addresses

The instructions in sub-sections 7.01 through 7.04 must be carefully followed to avoid delaying returns for error conditions. They must be included in electronic filers' programs as consistency tests and in the data entry instructions.

The Primary SSN, Primary Name Control, State Abbreviation, and Zip Code should be key verified to avoid lengthy delays caused by mismatches with existing taxpayer information in IRS records or by undeliverable refund checks.

.01 Name Controls for Individual Tax Returns

1. Primary Name Control (SEQ 0050) of Form 1040/1040A/1040EZ must equal the first four significant characters of the primary taxpayer's last name. No leading or embedded spaces are allowed. The first left-most position must contain an alpha character. Only alpha, hyphen, and space are allowed. Omit punctuation marks, titles and suffixes.

    Spouse's Name Control (SEQ 0055) of Form 1040/1040A/1040EZ, Dependent Name Control (SEQ 0172, 0182, 0192, 0202, 0212) of Form 1040/1040A, Qualifying Child Name Control (SEQ 0007, 0077) of Schedule EIC, Parent Name Control (SEQ 0045) of Form 8615, and Child Name Control (SEQ 0015) of Form 8814 must meet the same criteria.

    Examples:

Individual Name	Primary Name Control
John Brown	BROW
John Di Angelo	DIAN
John En, Sr.	EN
John Lea-Smith	LEA-
Joe McCarty	MCCA
Mary Smith & John Jones	SMIT
John O'Neil	ONEI

2. Consider certain foreign suffixes as part of the last name (i.e., Armah-Bey, Paz-Ayala, Allar-Sid). Particular attention must be given to those names that incorporate a mother's maiden name as a suffix to the last name. This practice is common in names of Spanish extraction. Consider the mother's maiden name as part of the surname for Name Control purposes.

    Examples:

Individual Name	Primary Name Control
Abdullah Allar-Sid	ALLA
Jose Alvarado Nogales	ALVA
Juan de la Rosa Y Obregon	DELA
Pedro Paz-Ayala	PAZ-
Donald Vander Neut	VAND
Otto Von Wodtke	VONW

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.01 Name Controls for Individual Tax Returns (continued)

3. Below are examples of Indo-Chinese last names and the derivative Name
    Control. Some Indo-Chinese names have only two characters. Indo-Chinese
    names often have a middle name of "Van" (male) or "Thi" (female).

    Examples:

Individual Name	Primary Name Control
Binh To La	LA
Kim Van Nguyen	NGUY
Nhat Thi Pham	PHAM
Jin-Zhang Qui & Yen-Yin Chiu	QUI

.02 Name Line 1 Format

1. Name Line 1 (SEQ 0060) of Form 1040/1040A/1040EZ can have no leading or
    consecutive embedded spaces. The only characters allowed are alpha,
    ampersand (&), hyphen (-), less-than sign (<), and space. The left-most
    position must be alpha. The less-than sign replaces the intervening
    space to identify the primary taxpayer's last name. It cannot be
    preceded by or followed by a space.

2. All apostrophes (') and any other punctuation characters, except the
    hyphen (-), must be omitted from names and the alphabetic characters
    shifted to the left in their place (e.g., O'Shea = OSHEA).

3. Numeric characters in name components must be replaced by alphabetic
    Roman Numerals (e.g., Charles 3rd = CHARLES III).

4. When a suffix such as "JR" or "III" is part of the name, enter a
    less-than sign (<) between the suffix and the last name. Do not enter
    a space before or after any less-than sign; the less-than sign takes the
    place of a space.

    Titles such as "M.D." or "Ph. D.", which are not part of a give name, may
    be omitted.

5. Name Line 1 CANNOT CONTAIN MORE THAN 35 CHARACTERS.

    If information in Name Line 1 exceeds 35 characters, truncate using the
    following **priority:** |

    a. Substitute the initial for the second given name.

    b. Omit the second initial of the **secondary taxpayer**, if necessary. |

    c. **Omit the second initial of the primary taxpayer, if necessary.** |

    d. Substitute initials for the secondary taxpayer's given name.

    e. Substitute initials for the primary taxpayer's given name.

.02 Name Line 1 Format (continued)

6. Enter taxpayer names as follows:

    a. For one taxpayer: Enter first name, a space, middle name or middle
       initial, a less-than sign (<), last name. (The last name of the
       individual must be contained within this name line field.) If there
       is a suffix, enter a less-than sign (<) between the last name and the
       suffix.

    b. For two taxpayers with same last name: Joint returns must contain
       one ampersand (&) between taxpayers' first names. The taxpayer whose
       first name is associated with the Primary SSN used on the return must
       be entered first, and the last name of that taxpayer must be identified
       by a preceding less-than sign (<).

    c. For two taxpayers with different last names: If the spouse uses a
       different last name, enter the primary taxpayer's first and last names
       as above for one taxpayer's name, but after the last name, add another
       less-than sign (<) followed by an ampersand and the full name of the
       spouse. A maximum of two less-than signs are permitted. Any suffixes
       should follow the primary taxpayer's last name only.

       Examples:*   Enter as:

       John C. (Brown), III   JOHN C<BROWN<III
       John M. (Brown), M.D.   JOHN M<BROWN
       Henry A. (Carter)   HENRY A<CARTER
       Frank N. (De Porta)   FRANK N<DE PORTA
       Timothy (Jackson), 2nd   TIMOTHY<JACKSON<II
       Carl A. (Jones) & Angie Myer   CARL A<JONES<& ANGIE MYER
       Charles (Jones) & Diane D. Jones, M.D. CHARLES & DIANE D<JONES
       Florence E. (Jones) MD   FLORENCE E<JONES
       Alfred (Newman), Minor   ALFRED<NEWMAN<MINOR
       James R. (O'Donnell)   JAMES R<ODONNELL
       James (Oliver-Keogh), 3rd   JAMES<OLIVER-KEOGH<III
       Lillie B. (Owen-Smith)   LILLIE B<OWEN-SMITH
       J. B. (Smith) Jr. & Ann Trent   J B<SMITH<JR & ANN TRENT
       John A. (Smith), III & Ann Smith, M.D. JOHN A & ANN<SMITH<III
       John A. and Jane B. (Smith)   JOHN A & JANE B<SMITH

    d. **For other than Joint Return and deceased taxpayer: Enter the** |
       literal "DECD" after the surname of the deceased taxpayer |
       (e.g., John A<Doe<DECD or John A<Doe<JR DECD). |

    e. **For a Joint Return with the same last name and Primary taxpayer** |
       is deceased: Enter the literal "DECD" after the first name and/or |
       initial of the deceased taxpayer (e.g., John A DECD & Jane B<Doe |
       or John A DECD & Jane B<Doe<JR). |

    f. **For a Joint Return with the same last name and Secondary taxpayer** |
       is deceased: Enter the literal "DECD" after the first name and/or |
       initial of the deceased taxpayer (e.g., John A & Jane B DECD<Doe |
       or John A & Jane B DECD<Doe<SR). |

.02 **Name Line 1 Format** (continued)

g. For a **Joint Return** with **different last names and either the** |
   Primary OR the Secondary taxpayer is deceased: Enter the |
   Literal "DECD" after the surname of the deceased taxpayer |
   (e.g., John A<Doe<DECD & Jane B Smith or John A III<Doe<DECD |
   & Jane B Smith; John A<Doe<& Jane B Smith DECD or |
   John A JR<Doe<& Jane B Smith DECD). |

h. For a **Joint Return** with the **same last name and both taxpayers** |
   are deceased: Enter the literal "DECD" after the first name |
   and/or initial of the deceased taxpayer (e.g., John A DECD |
   & Jane B DECD<Doe or John A DECD & Jane B DECD<Doe<JR). |

i. For a **Joint Return** with **different last name and both taxpayers** |
   are deceased: Enter the literal "DECD" after the surname of the |
   deceased taxpayer (e.g., John A<Doe<DECD & Jane B Smith DECD or |
   John SR<Doe<DECD & Jane Smith DECD). |

* Parentheses indicate the last name of the taxpayer with Primary SSN.

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.03 Street Address Format

1. The Street Address (SEQ 0080) of Form 1040/1040A/1040EZ contains the house number and street, route number, post office box, or box number. Enter college, building, or post office branch as the address if no other mailing address is given. If there is no address information, the literal "NONE" must be entered in the Street Address field.

2. Do not use the "#" symbol, "No.", or "Number" as a prefix to an apartment, house, P.O. Box, or route.

3. Always add "ST", "ND", "RD", "TH" to a numbered street or avenue. Examples: 1 = 1ST; 2 = 2ND; 3 = 3RD, etc.

4. Enter one-half as 1/2 (no spaces).

5. Plurals for apartment, avenue, road, street, etc., are entered as APTS, AVES, RDS, STS, etc.

6. Replace a period with a space.

7. For military overseas addresses, enter the letters "APO" or "FPO" in the first three left-most positions of the City field. Refer to Attachment 4 for list of valid APO/FPO City/State/Zip Codes.

8. Words may be abbreviated unless the word is a proper name. Refer to Attachment 2 for list of acceptable abbreviations.

Examples:	Enter as:
3 Ave.	3RD AVE
Circle Drive	CIRCLE DR
Lane Building	LANE BLDG
Northeast Street	NORTHEAST ST
South Court Street	S COURT ST
Third Street	THIRD ST

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.04 Name Line 2 Format

Name Line 2 (SEQ 0070) of Form 1040/1040A/1040EZ is used for a street address that requires two lines or for an "in care of" address.

An "in care of" address must be indicated by a percent (%) character, followed by a space, followed by the name of the person who is in care of the delivery.

```
    Example 1:    Mr. John Jones
                  In care of Alice B. Smith
                  801 Brown St.

    Enter As:     JOHN JONES          (Primary First Name, Primary Last Name)
                  % ALICE B SMITH     (Name Line 2)
                  801 BROWN ST        (Street Address)
```

If two addresses are present, enter the actual mailing address in the Street Address field. Enter the post office box in the Street Address field only if the post office does not deliver mail to the street address. The remaining address should be entered in the Name Line 2 field. Do not enter a post office box in the Name Line 2 field.

```
    Example 2:    Mr. John Jones
                  80 Erie Street Apartment 5
                  Great Lakes Resort

    Enter As:     JOHN JONES          (Primary First Name, Primary Last Name)
                  GREAT LAKES RESORT  (Name Line 2)
                  80 ERIE ST APT 5    (Street Address)


    Example 3:    Mr. John Jones
                  1 Lost Way
                  P.O. Box 1502

    Enter As:     JOHN JONES          (Primary First Name, Primary Last Name)
                  1 LOST WAY          (Name Line 2)
                  PO BOX 1502         (Street Address)


    Example 4:    Mr. John Jones
                  P.O. Box 150
                  State University

    Enter As:     JOHN JONES          (Primary First Name, Primary Last Name)
                  STATE UNIVERSITY    (Name Line 2)
                  PO BOX 150          (Street Address)
```

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.05 **Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,**   -|
     2441 and Schedule 2

The business Name Control consists of four alpha and/or numeric characters.
The ampersand (&) and hyphen (-) are the only special characters permitted in
the Name Control. The Name Control can have fewer than four characters.
Blanks may be present only as the last two positions of the Name Control.

  1.   **Individuals (Sole Proprietorships)**

     Always use the first four characters of the individual's (sole
     proprietor's) last name.

     Examples:

Name Control Underlined	Name Control
Arthur P. Aspen	ASPE
Jane & Mark Hemlock The Sunshine Cafe	HEML
John and Mary Redwood	REDW

  2.   **Estates**

     Always use the first four characters of the last name of decedent. The
     last name of the decedent may be followed by the word "Estate" in the
     first name line.

     Examples:

Name Control Underlined	Name Control
Estate of Jay Gold	GOLD
Homer J. Maroon Estate	MARO
Frank White Estate Alan Baker Exec.	WHIT

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,   -|
2441 and Schedule 2 (continued)

3. Partnerships

Determine the Name Control using the following order of selection:

a. Derive the Name Control for partnership entities from the trade or
   business name of the partnership. Omit the word "The" when it is
   followed by more than one word. Include the word "The" when it is
   followed by only one word.

   Examples:

Name Control Underlined	Name Control
<u>Alab</u>aster Group B.J Fuschia, M.L. Magenta, & R. T . Indigo Ptrs.	ALAB
The <u>Gree</u>n Parrot	GREE
Harold J. Crimson & Bernard L. Ochre et at Ptr. <u>Howa</u>rd Azure Development Co.	HOWA
W.P Plum & H.N. Lavender dba <u>P & L P</u>ump Co.	P&LP
<u>Rose</u> Restaurant	ROSE
<u>The B</u>lues	THEB
<u>Viol</u>et Drywall Finishers William Wheat, Gen. Ptr	VIOL

b. If no trade or business name is present, derive the Name Control from
   the surname of the first listed partner.

   Examples:

Name Control Underlined	Name Control
<u>Burg</u>undy, Olive & Cobalt, Ptrs.	BURG
Bob <u>Oran</u>ge & Carol Black	ORAN
G.H. <u>Orch</u>id et al Ptrs.	ORCH
A.B., C.D., & E.F. <u>Turq</u>uoise	TURQ

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,   -|
      2441 and Schedule 2 (continued)

4. Corporations

> a. Use the first four significant characters of the corporation name.
>
>   Examples:
>
> | Name Control Underlined | Name Control |
> | --- | --- |
> | <u>11th</u> Street Inc. | 11TH |
> | <u>Falc</u>on Field Plow Inc. | FALC |
> | <u>J.R. Or</u>iole Inc. | JROR |
> | <u>P & P </u>Company | P&PC |
> | <u>Purp</u>le Martin Ltd. | PURP |
> | <u>RS C</u>orporation | RSCO |
> | <u>Whip</u>poorwill Homeowners Assn. | WHIP |
> | <u>Y-Z D</u>rive Co. | Y-ZD |
> | <u>ZZZ C</u>lub | ZZZC |
>
> b. When determining a corporate Name Control, omit the word "The" when it
>   is followed by more than one word. Include the word "The" when it is
>   followed by only one word.
>
>   Examples:
>
> | Name Control Underlined | Name Control |
> | --- | --- |
> | The <u>Mead</u>owlark Co. | MEAD |
> | <u>The S</u>wan | THES |

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,   -|
2441 and Schedule 2 (continued)

 c. If an individual name contains the following abbreviations, use
  corporate Name Control rules.

  SC - Small Corporation
  PA - Professional Association
  PC - Professional Corporation
  PS - Professional Service

  Examples:

  <u>Name Control Underlined</u>   <u>Name Control</u>

  <u>Carl</u> Sandpiper M.D.P.A.   CARL
  <u>John</u> Waxwing PA   JOHN
  <u>Sam S</u>parrow SC   SAMS

 d. When the organization name contains the word "Fund" or "Foundation,"
  corporate rules still apply.

  Examples:

  <u>Name Control Underlined</u>   <u>Name Control</u>

  The <u>Jose</u>ph Eagle Foundation   JOSE

  <u>Kath</u>ryn Canary Memorial Fdn. KATH

 e. Corporate Name Control rules apply to local governmental organizations
  and to chapter names of national fraternal organizations.

  Examples:

  <u>Name Control Underlined</u>   <u>Name Control</u>

  <u>City</u> of Fort Hulsache Board   CITY
  of Commissioners

  <u>Hous</u>e Assn. Of Beta XI Chapter of HOUS
  Omicron Delta Kappa

  <u>Rho A</u>lpha Chapter Epsilon   RHOA
  Alpha Tau Fraternity

  <u>Waxw</u>ing County Employees Association WAXW

.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,   -|
    2441 and Schedule 2 (continued)

 5. **Trusts and Fiduciaries**

    Derive the Name Control from the name of the trust, using the
    following order of selection:

    a. For individuals, use the first four characters of the last name.

       Examples:

       Name Control Underlined   Name Control

       Richard L. <u>Aste</u> Charitable   ASTE
       Remainder Unitrust

       Testamentary Trust U/W   BALS
       Margaret <u>Bals</u>am
       Cynthia Ivy & Laura Iris

       Donald C. <u>Bego</u>nia Trust   BEGO
       FBO Mary, Karen, & Michael Violet

       Jonathan <u>Peri</u>winkle Irrevocable Trust   PERI
       FBO Patrick Redwood
       Chestnut Bank TTEE

    b. For corporations, use the first four characters of the corporate name.

       Examples:

       Name Control Underlined   Name Control

       <u>Dais</u>y Corp. Employee Benefit Trust   DAIS

       <u>Mari</u>gold Association   MARI
       Charitable Lead Trust

       <u>Morn</u>ingglory Church Endowment Trust   MORN
       John J. Waxbean, Trustee

.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,   -|
2441 and Schedule 2 (continued)

c. For numbered trusts and GNMA Pools, use the first digits of the trust
   number disregarding any leading zeros and/or trailing alpha characters.
   If there are fewer than four numbers, use the letters "GNMA" to
   complete the Name Control.

   Examples:

Name Control Underlined	Name Control
GNMA Pool No. 00100B	100G
ABCD Trust No. 001036, Lotusbank TTEE	1036
Trust No. 12190, FBO Margaret Lily	1219
0020, GNMA POOL	20GN

d. If none of the above information is present, use the first four
   characters of the last name of the trustee (TTEE) or beneficiary (FBO).

   Examples:

Name Control Underlined	Name Control
Testamentary Trust Edward Bluebell TTEE	BLUE
Trust FBO The Cherryblossom Society	CHER
Trust FBO Eugene Eucalyptus	EUCA
Michael Tulip Clifford Trust	TULI

   Note: "Clifford Trust" is the name of a type of trust.

.05 Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,   -|
     2441 and Schedule 2 (continued)

6. Other Organizations

   a. The only organization that will always be abbreviated is Parent
      Teachers Association (PTA). The Name Control is "PTA" plus the first
      letter of a State, whether or not the state name is present as part of
      the name of the organization.

      Examples:

      <u>Name Control Underlined</u>   <u>Name Control</u>

      <u>P</u>arent <u>T</u>eachers <u>A</u>ssociation of   PTAC
      San Francisco

      <u>P</u>arent <u>T</u>eachers <u>A</u>ssociation   PTAG
      Congress of <u>G</u>eorgia

   b. If the business name contains an abbreviation other than "PTA," the
      Name Control is the first four characters of the abbreviated name.

      Examples:

      <u>Name Control Underlined</u>   <u>Name Control</u>

      <u>A</u>.<u>I</u>.<u>S</u>.<u>D</u>   AISD

      <u>R</u>.<u>S</u>.<u>V</u>.<u>P</u>. Post No.245   RSVP

   c. The Name Control is the first four characters of the national title.

      Examples:

      <u>Name Control Underlined</u>   <u>Name Control</u>

      Local 210 <u>Inte</u>rnational Canary Assn.   INTE

      <u>Labo</u>rers Union, AFL-CIO   LABO

      Post 3120, <u>Vete</u>rans of Space Wars   VETE
      of U.S. Dept. of Georgia

.05   **Business Name Controls for Forms W-2, W-2G, W-2GU, 1099-R,**   -|
      2441 and **Schedule 2 (continued)**

   d. When an individual name and corporate name appear, the Name Control is
      the first four letters of the corporate name.

   Example:

   <u>Name Control Underlined</u>   <u>Name Control</u>

   Barbara J. Zinnia <u>ZZ</u> <u>Gr</u>ain Inc.   ZZGR

   e. For churches and their subordinates (i.e., nursing homes, hospitals),
      derive the Name Control from the legal name of the church.

   Examples:

   <u>Name Control Underlined</u>   <u>Name Control</u>

   <u>St</u>. <u>Be</u>rnard's Methodist Church   STBE
   Bldg. Fund

   Diocese of Kansas City <u>St</u>. <u>Ro</u>se's   STRO
   Hospital

   <u>St</u>. <u>Si</u>lver's Church Diocese of   STSI
   Larkspur

Section 7 - Formats for Name Controls, Name Lines, and Addresses

.06 Foreign Employer/Payer Address on Forms W-2/W-2G/W-2GU/1099-R

1. Employer/Payer Name Line 2: Foreign Street Address - If none, enter "NONE".

   Employer/Payer Address: Foreign city, province or postal code.

   Employer/Payer City: Foreign country name. Do not abbreviate the country name.

   Employer/Payer State: Period (.).

2. Employee, Recipient/Winners with Foreign Address on Form W-2/ W-2G/1099-R

   Employee/Recipient/Winner Street Address: Foreign Street Address. If none, enter "NONE".

   Employee/Recipient/Winner Address Continuation: Foreign city, province or postal code

   Employee/Recipient/Winner City: Foreign Country Name. Do not abbreviate country name unless absolutely necessary.

   Employee/Recipient/Winner State: Enter Period (.).

Section 8 - Statement Records

.01 General Information

Statement Records are transmitted as part of the tax return and can only be used when the Field Description in the Record Layouts contains "STMbnn". Statement Records follow the Tax Form, Schedules, Forms and Authentication Records and precede the Preparer Note, Election Explanation, Regulatory Explanation, State and Summary Records.

The record layouts for Form 5471, Form 5713 and especially Form 8865 and associated schedules contain statement references identified as "Global". These statement fields are usually found at the end of the data for a page of the form, right before the Record Terminus character. These statements are to be used to enter any data for statements/attachments that are referenced on the form or in the form instructions but do not have their own separate "Statement" field within the record layout.

See Section 10.02 for Error Reject Codes pertaining to Statement Records.

See Part II Record Layouts for the fields that can contain "STMbnn" and to determine how the data fields should be formatted.

See Part II Record Layouts Section 5 for the Statement Record Layout.

.02 Types of Statement Records

There are two types of Statement Records:

1. **Optional Statement Records** are used only when there are not enough occurrences in the Record Layouts for all the occurrences of a field needed for a particular schedule or form. An optional Statement Record must contain at least four Statement Lines. Fields that can contain a reference to an optional Statement Record are identified in the Record Layouts by an asterisk (*) before the Field Sequence Number. Related fields, which are identified by a plus sign (+), must be included in the Statement Record.

    Example:
        A taxpayer files Schedule A to claim a deduction for three types of other taxes paid, but the Record Layout for Line 8 of Schedule A only allows for one occurrence of "Other Taxes Type" (SEQ *0130) and "Other Taxes Amount" (SEQ +0135). A statement reference is entered in the field "Other Taxes Type" (SEQ *0130) of Schedule A, and each Statement Line (03-05) of the corresponding Statement Record will contain the type and amount for each of the other taxes paid.

2. **Required Statement Records** are used only when a statement of explanation is necessary. A required Statement Record must contain at least three Statement Lines and the second line must be blank. Fields that can contain a reference to a required Statement Record are identified in the Record Layouts by an at-sign (@) before the Field Sequence Number. Unlike optional statement fields, which can contain either data or a statement reference, required statement fields can contain a statement reference only.

Section 8 - Formats for Statement Records

.02 **Types of Statement Records** (continued)

Example:
A taxpayer files Schedule A to claim a deduction for interest paid on a mortgage by the taxpayer and another person, but the Form 1098 was received by the other person. The taxpayer is required to provide the name and address of the other person. A statement reference is entered in the field "Form 1098 Name/Address" (SEQ @0165) of Schedule A, and the name and address are entered in Statement Line 03 of the corresponding Statement Record.

.03 **Statement Record Format**

1. Each line of a Statement Record is counted as a separate record and must contain the Byte Count, Start of Record Sentinel, Record ID Group (Fields 0000 through 0006), Statement Data (Field 0010) and the Record Terminus Character. Each line is a fixed-sized record of 123 bytes whether transmitting in fixed or variable format. Delimiters "[" and "]" are not used on statement records.

2. Each statement line of the Statement Record contains the 80-character Statement Data.

    When the total length of the related fields is less than 80 characters, the line must be blank-filled to equal the length of 80 characters.

    When the total length of the related fields exceeds the 80-character length of the Statement Data (Field 6) of the Statement Record, the information must be provided in two parts. The second part is actually a separate "continuation" Statement Record, which requires a separate statement reference and statement number. Fields that can contain a reference to continuation statement record are identified by an asterisk and a plus sign (*+) before the Field Sequence Number.

3. The individual data fields of Statement Records are not keyed to Field Sequence Numbers. Therefore, all data fields must be formatted as fixed length fields, so that the data will appear in the correct positions. If a field contains no data, it must be blank-filled or zero-filled, as appropriate.

4. Each Statement Reference on the tax return must have a corresponding Statement Record.

5. The total number of Statement Records cannot exceed the total number of Statement References entered in the tax return.

Section 8 - Formats for Statement Records

.03 Statement Record Format (continued)

6. A maximum of 30 Statement References can be entered in a tax return.

7. A Statement Record can contain a maximum of two pages. The first page
    can contain a maximum of 50 lines. The second page can contain a maximum
    of 49 lines. There is an absolute limit of 999 statement lines permitted
    for each tax return.

    When the second page of a Statement Record is used, data fields are
    entered on the first line (LN51) of Page 02 in the same format used for
    lines 03 - 50 of Page 01.

    Note: If desired, the line numbering for Page 02 can begin with "LN01",
    instead of "LN51"; however, do not enter titles and column headings in
    the first two lines of Page 02, regardless of the line numbering style
    used.

8. The Statement Reference and the corresponding Statement Record contain a
    Statement Number, which can equal any number from 01 to 99. The Statement
    Reference Numbers on the tax return must be in ascending numerical
    sequence and must be referenced in the same order as the transmission
    sequence of the schedules and forms. A Statement Number cannot be used
    more than once.

    Note: Although Statement Numbers must be in ascending sequence, they do
    not have to be in consecutive numerical sequence.

9. The first line of the first page of a statement record (PG01 LN01) will
    contain a literal description (title) of the statement record. It is
    recommended that the name and page of the schedule or form precede any
    other descriptive information entered on this line (e.g., "SCHEDULE B
    PAGE 1 Schedule B Interest Income").

10. An optional statement record must contain at least four lines. The
    second line of the first page of an optional statement record (PG01,
    LN02) contains the column headings from the schedule or form (e.g.,
    "ST PROP DESCRIP", "DATE.."), with the headings spaced as they would
    appear on the printed form).

11. Each subsequent line of an optional statement record (LN03 to LN99)
    contains the related data fields in the format in which they appear in
    the record layouts. It is imperative that the data fields are entered
    in the statement record with the exact length and format defined in the
    record layouts.

12. A required statement record must contain at least three lines. The
    second line of a required statement record (LN02) must be blank.

13. Each subsequent line of a required statement record is used as needed
    for a narrative statement of explanation or to supply any additional
    information required.

Section 8 - Formats for Statement Records

.04 Examples of Optional Statement Records

1. Optional Statement Record - Page 01 and Page 02 (Fixed or Variable Format)

    The following example includes Page 01 and Page 02 of a Statement Record for Schedule B. The Statement Reference Number "STM 01" is entered in the field "Interest Payer 1" (*SEQ 0030) of Schedule B.

    Page 01 Line 01:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 01       PG01 333003333 LN01   bbbbbbbbbbbbbbbbbb
    SCHEDULE B INTEREST INCOMEbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 01 of Page 01 contains the name (and page number if present) of the schedule or form and a title describing the information contained in the statement record. Blanks may be placed before the text in Line 01 to "center" the title.

    Page 01 Line 02:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 01       PG01 333003333 LN02   bbbbbbbbbbbbbbbbbb
    INTEREST PAYERbbbbbbbbbbbbbbbbbbbbbbbAMOUNTbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 02 of Page 01 contains column titles (headers) for an Optional Statement Record. The spacing of the column titles is determined by the filer, allowing for easy readability.

    Page 01 Line 03:
    ```
    ---------1---------2---------3---------4---------5---------6

    0123****STM 01       PG01 333003333 LN03   FIRST NATIONAL BAN
    Kbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb00000000350 bbbbbbbbbbbbbb
    bb#
    ```

    Line 03 is the first line containing data for individual fields. The data fields are entered in the statement lines as they would be entered on the schedule or form. In this example, the first data field is alphanumeric with a length of 50 characters. The information for this field equals 19 characters, including embedded blanks, so the remaining 31 characters are blank-filled.

    The next data field is a signed numeric field with a length of 12 characters. A money amount field must contain 11 numeric characters followed by a blank for a positive amount, or by a minus sign for a loss. In this example, the value of the money amount is 350, so the entry is right-justified and zero-filled with eight zeros, allowing for a blank in the 12th position.

    The total of the maximum lengths of the two data fields in this example equals 62 characters (50 + 12). The length of the Statement Data must equal 80 characters, so 18 blanks follow the last character of the second data field.

.04   Examples of Optional Statement Records (continued)

Page 01 Line 04:
```
---------1---------2---------3---------4---------5---------6
0123****STM 01      PG01 333003333 LN04   LOTS OF MONEY MARK
ETbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb00000000200 bbbbbbbbbbbbbbbb
bb#
```

Lines 04 - 50 of Page 01 are used to report additional interest.

Page 01 Line 50:
```
---------1---------2---------3---------4---------5---------6

0123****STM 01      PG01 333003333 LN50   CREDIT UNIONbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb00000004800 bbbbbbbbbbbbbbbb
bb#
```

In this example, interest has been received from more than 48 payers, so Page 02 of the same Statement Record will be used.

Page 02 Line 51:
```
---------1---------2---------3---------4---------5---------6

0123****STM 01      PG02 333003333 LN51   FORTY NINE SAVINGS
 AND LOANbbbbbbbbbbbbbbbbbbbbbbbbbbb00000006000 bbbbbbbbbbbbbbbb
bb#
```

Data fields are entered on the first line (LN51) of Page 02 in the format used for lines 03 - 50 of Page 01. Although "LN51" is used as the number of the first line of Page 02 in this example, the line numbering for Page 02 can begin with "LN01", if desired. In either case, do not enter titles and column headings in the first two lines of Page 02.

Lines 51 - 99 (or 01 - 49) of Page 02 are used as needed.

.04   Examples of Optional Statement Records (continued)

  2. Optional Statement Record (Fixed or Variable Format)

     The following is an example of the first part of a two-part Statement
     Record for Schedule E Page 2 Part III. The second part is actually a
     separate Statement Record with its own Statement Reference Number, but
     is referred to as a "continuation" Statement Record.

     For the first part of the Statement Record in this example, the Statement
     Reference Number "STM 02" is entered in the field "Estate/Trust Name A"
     (*SEQ 1790) of Schedule E.

Line 01:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN01   SCHEDULE E PAGE 2
PART IIIbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
bb#
```

Line 02:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN02   COLUMN Abbbbbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbCOLUMN B bbbb
bb#
```

Line 03:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN03   BROWN ESTATEbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb112222222bbbb
bb#
```

Line 04:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN04   LANGLEY ESTATEbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb223333333bbbb
bb#
```

Line 05:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN05   FORTUNE ESTATEbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb334444444bbbb
bb#
```

Line 06:
```
---------1---------2---------3---------4---------5---------6
0123****STM 02     PG01 444004444 LN06   CHERRY TRUSTbbbbbb
bbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb445555555bbbb
bb#
```

.04 **Examples of Optional Statement Records** (continued)

3. Optional Statement Record - Continuation Statement (Fixed or Variable Format)

    For the Continuation Statement Record in this example, the Statement Reference Number "STM 03" is entered in the field "Passive F8582 Loss" (*+SEQ 1807) of Schedule E.

    Line 01:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 03     PG01 444004444 LN01   SCHEDULE E PAGE 2
    PART III CONTINUATIONbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 02:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 03     PG01 444004444 LN02   COLUMN C    COLUMN
     D    COLUMN E    COLUMN F   bbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Lines 03-06 contain data in Column D only; Columns C, E, and F must be zero-filled.

    Line 03:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 03     PG01 444004444 LN03   00000000000 000000
    01600 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 04:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 03     PG01 444004444 LN04   00000000000 000000
    00500 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 05:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 03     PG01 444004444 LN05   00000000000 000000
    01600 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

    Line 06:
    ```
    ---------1---------2---------3---------4---------5---------6
    0123****STM 03     PG01 444004444 LN06   00000000000 000000
    03000 00000000000 00000000000 bbbbbbbbbbbbbbbbbbbbbbbbbbbbbb
    bb#
    ```

Section 8 - Formats for Statement Records

.05 Reporting Money Amount Fields and Totals

The following "total" fields on the tax form, schedules, and forms should reflect the total of the money amount fields reported on the related Statement Record. If a Statement Record is not present, the applicable money amount should be entered in the specific field and repeated in the "total" field.

Schedule/Form	SEQ #	Identification
Form 1040 Page 1	0590	Total Other Income
	0697	Total Alimony Paid
	0735	Total Other Adjustments
Form 1040 Page 2	1136	Total Other Tax
Schedule A	0140	Total Other Taxes Amount
	0410	Total Unreimbursed Employee Business Expense Amount
	0435	Total Other Expenses
	0495	Total Other Expenses
Schedule B	0025	Total Seller Financed Mortgage Amount
Form 6198	0040	Total Other Gain/Loss

Section 9 - Validation - Transmission Records

Balance Due Returns and Refund Returns can be included in the same
transmission.

If any of the following reject conditions exist in a Transmission Record,
the entire transmission will be rejected.

**For detail description of Error Reject Codes, see Publication 1346
Attachment 1.**

.01 **General Transmission Reject Conditions**

ERC 0805, 0823, 0825

.02 **TRANS Record A (TRANA) Reject Conditions**

ERC **0439**, 0806, 0822, 0824 |

.03 **RECAP Record Reject Conditions**

ERC 0830, 0831, 0832, 0840

Section 10 - Validation - Tax Return

.01 **General Reject Conditions**

For detail description of Error Reject Codes, see Publication 1346 Attachment 1.

ERC 0001, 0010, 0014, 0030, 0033, 0034, 0035, 0044, 0045, 0500, 0501, 0502, 0503, 0504, 0505, 0506, 0507, 0508, 0509, 0510, 0511, 0512, 0513, 0514, 0515, 0516, 0517, 0520, 0521, 0524, 0525, 0526, 0527, 0528, 0600, 0999   -|

.02 **Statement Record Reject Conditions**

ERC 0005, 0050, 0051, 0052, 0053

.03 **Tax Return Record Identification (Record ID) Reject Conditions**

ERC 0003, 0028, 0029, 0031, 0032, 0060, 0061, 0062, 0064, **0529** |

Section 11 – Validation – Specific Schedules and Forms

.04 Tax Return Carry-Forward Lines

In general, the amount on the Tax Form (Form 1040 and Form 1040A) must equal the amount carried from the following schedules and forms. Refer to the specific Error Reject Code in Section 11 or Attachment 1 for exceptions and additional conditions pertaining to the Error Reject Code.

	Field on the Tax Form:			**Field from the Schedule or Form:**	
ERC	SEQ# Identification		Sch/Frm	SEQ#	Identification
0076:	0380 Taxable Interest	=	Sch B/ Sch 1	0290	Taxable Interest
0077:	0394 Total Ordinary Dividends	=	Sch B/ Sch 1	0525	Total Ordinary Dividends
0099:	0440 Business Income/Loss	=	Sch C	0710	Net Profit (Loss)
					plus
			Sch C-EZ	0710	Net Profit
0078:	0450 Capital Gain/Loss	=	Sch D	1848	Combined Net Gain/Loss
					or
				1849	Allowable Loss
0081:	0470 Other Gain/Loss	=	4797	1030	Redetermined Gain/Loss
0079:	0510 Rent/Royalty/Part/ Estates/Trusts Inc	=	Sch E	1150	Total Income or Loss
					or
				2010	Total Supplemental Income (Loss)
0140:	0520 Farm Income	=	Sch F	0680	Net Farm Profit or Loss
0457:	0577 Housing/Foreign Earned Income Exclusion Amount	=	2555	1260	Max. Housing and Foreign Earned Inc. Exclusions
					plus
			2555EZ	1260	Max. of Foreign Earned Inc. Exclusion
0357:	0632 Archer MSA Deduction	=	8853	0200	Medical Savings Account Deduction
0080:	0637 Current Year Moving Expenses	=	3903	0180	Moving Exp Deduction
0195:	0640 Self-Employed Deduction Schedule SE	=	Sch SE	0165	Deduction for 1/2 of Self Employment Tax
0459:	0730 Other Adjustment Amount	=	2555	1310	Total Housing Deduction

Section 10 - Validation - Tax Return

.04 Tax Return Carry-Forward Lines (continued)

		Field on the Tax Form:			**Field from the Schedule or Form:**	
ERC	SEQ#	Identification		Sch/Frm	SEQ#	Identification
0082:	0789	Total Itemized or Standard Deduction	=	Sch A	0520	Total Deductions
0392:	0820	Taxable Income	=	Sch J	0010	Taxable Income
0251:	0820	Taxable Income	=	8615	0100	Child Taxable Income
0261:	0857	Form 8814 Amount	=	8814	0220	Form 8814 Tax
0252:	0915 or 0860	Tax (Form 1040) Tax (Form 1040A)	=	8615	0290	Form 8615 Tax
0110	0915	Tax	=	Sch J	0220	Subtract Line21 from Line 17
0083:	0925	Credit for Child & Dependent Care	=	2441/ Sch 2	0330	Credit for Child & Dependent Care
0084:	0930	Credit for Elderly or Disabled	=	Sch R/ Sch 3	0250	Credit
0087:	0918	Alternative Minimum Tax	=	6251	0340	Alternative Minimum Tax
0086:	1040	Self Employment Tax	=	Sch SE	0160	Self-Employment Tax
0115:	1080	Social Security & Medicare Tax on Tips	=	4137	0200	F1040 Social Security Medicare Tax on Tips
0112:	1100	Tax on Retirement Plans	=	5329	0078	Total Section 72 Tax on Early Distributions
						plus
					0091	Tax on Ed IRA Distrib Not Used for Educ Expenses
						plus
					0160	Excess Contributions Tax on Traditional IRA
						plus
					0480	Excess Contributions Tax on Roth IRA
						plus
					0570	Excess Contribution Tax on Ed IRA
						plus
					0660	Excess Contributions Tax on MSA
						plus
					0720	Tax on Excess Accumulations

Section 10 - Validation - Tax Return

.04 **Tax Return Carry-Forward Lines** (continued)

Field on the Tax Form: Field from the Schedule or Form:

<u>ERC</u>	<u>SEQ#</u>	<u>Identification</u>		<u>Sch/Frm</u>	<u>SEQ#</u>	<u>Identification</u>
<u>0221</u>:	1105	Advanced EIC Payments	=	W-2	0200	Advance EIC Payment
<u>0236</u>:	1107	Household Employment Taxes	=	Sch H	0140	Total Taxes Less Advance EIC Payments plus
					0240	FUTA Tax
<u>0374</u>:	1186	Additional Child Tax Credit	=	8812	0120	Additional Child Tax Credit
<u>0426</u>:	1210	Other Payments	=	2439	0230	Tax Paid by Regulated Investment Company and
			=	4136	0820	Total Income Credit Amount
<u>0136</u>:	1300	ES Penalty Amount	=	2210	0240	Underpayment Penalty/ Short Method or
					0720	Total Underpayment Penalty or
			=	2210F	0180	Underpayment Penalty/ Farmers Fisherman

Section 10 - Validation - Tax Return

.04 Tax Return Carry-Forward Lines (continued)

In general, the amounts on the following schedules and forms must be equal.
Refer to the specific Error Reject Code in Section 11 or Attachment 1 for
exceptions and additional conditions pertaining to the Error Reject Code.

ERC	Sch/Frm	SEQ#	Identification		Sch/Frm	SEQ#	Identification
0170:	Sch A	0390	Casualty/Theft Loss	=	4684	0450	Line 16 Minus Line 17
0280:	Sch B/ Sch 1	0289	Excludable Savings Bond Interest	=	8815	0290	Excludable Savings Bond Interest
0186:	Sch C	0703	Home Business Expense	=	8829	0450	Schedule C Allowable Expenses
0250:	Sch D	1870	Investment Capital Gain	=	4952	0036	Investment Capital Gain
0180: 0184:	Sch E	1991	Net Farm Rental Income/Loss	=	4835	0610 0630	Net Farm Rent Profit and/or Net Farm Rent (Loss)
0171:	4797	0440	Gain/Loss for Entire Year (Form 4684 Sec B Gain)	=	4684	1120	Loss Equal to or Smaller than Gain
0251:	8615	0100	Child Taxable Income	=	1040/ 1040A	0820	Taxable Income

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Section 11 - Validation - Specific Schedules and Forms

The first seven sub-sections of Section 11 contain Error Reject Codes pertaining to the tax form, organized as follows:

```
11.01  Forms 1040, 1040A, and 1040EZ
11.02  Direct Deposit Information - Forms 1040, 1040A, and 1040EZ
11.03  Forms 1040 and 1040A only
11.04  Form 1040 only
11.05  Form 1040A only
11.06  Form 1040EZ only
```

The remaining four sub-sections include Error Reject Codes for the following:

```
11.07  Specific Schedules
11.08  Specific Forms
11.09  Authentication Record
11.10  State Records
11.11  Summary Record
```

For detail description of Error Reject Codes, see Publication 1346 Attachment 1.

.01 Form 1040, Form 1040A, and Form 1040EZ

ERC 0004, 0006, 0007, 0016, 0020, 0021, 0022, 0023, 0024, 0063, 0069, 0071, 0072, 0075, 0103, 0108, 0109, 0126, 0146, 0177, 0192, 0204,   -|
0299, 0303, 0409, 0417, 0418, 0606, 0610, 0611, 0612, 0613, 0614, 0615, 0767, 0770, 1014, 1015, 1016, **1019, 1032, 1033, 1034**, 1048 |
|

.02 Direct Deposit Information for Form 1040, Form 1040A, and Form 1040EZ

ERC 0019, 0105, **0234** |

.03 Form 1040 and Form 1040A

ERC 0008, 0011, 0012, 0037, 0041, 0043, 0065, 0066, 0067, 0068, 0073, 0076, 0077, 0083, 0084, 0088, 0111, 0114, 0116, 0119, 0121, 0127, 0128, 0129, 0130, 0131, 0134, 0136, 0138, 0158, 0188, 0164, 0191, 0198, 0199, 0200, 0221, 0243, 0252, 0281, 0370, 0372, 0373, 0374, 0382, 0384, 0386, 0387, 0388, 0389, 0486

.04 Form 1040

ERC 0040, 0070, 0078, 0079, 0080, 0081, 0082, 0086, 0087, 0089, 0097, 0099, 0110, 0112, 0115, 0132, 0135, 0140, 0150, 0175, 0178, 0179, 0189, 0196, **0233**, 0236, 0245, 0260, 0263, 0270, 0277, 0285, 0287, 0357, 0360, | 0361, 0364, 0420, 0426, 0454, 0456, 0457, 0458, 0459, 0494, 0495, 0666, 0717, 0721, 0722, 0778, 0779, 0779, 0790, 0791, **1080** |

.05 Form 1040A

ERC 0038, 0190

.06 Form 1040EZ

ERC 0039, 0159, 0161, 0162, 0194

Section 11 – Validation – Specific Schedules and Forms

.07 Error Reject Codes for Schedules

1. Schedule A

ERC 0015, 0113, 0170, 0197

2. Schedule B and Schedule 1

ERC 0280

3. Schedule C

ERC 0098, 0100, 0117, 0149, 0183, **0185**, 0187

4. Schedule C-EZ

ERC 0036, 0240, 0241, 0242

5. Schedule D

ERC 0250

6. Schedule E

ERC 0102, 0106, 0169, 0184, 0286

7. Schedule EIC

ERC 0201, 0202, 0203, 0205, 0206, 0207, 0216, 0217, 0218, 0222, 0476

8. Schedule F

ERC 0141, 0142, 0143, 0182

9. Schedule H

ERC 0208, 0209, 0210, 0211, 0212, 0213, 0214, 0215, 0219, 0220, 0223, 0224, 0225, 0226, 0227, 0228, 0229, 0235

10. Schedule J

ERC 0390, 0391, 0392, 0393

11. Schedule R and Schedule 3

ERC 0085, 0133, 0163

12. Schedule SE

ERC 0046, 0047, 0107, 0195

Section 11 – Validation – Specific Schedules and Forms

.08   Error Reject Codes for Forms

1.   Form W-2

ERC 0122, 0123, 0139, **0144**, 0289, 0290, 0291, 0295, 0616 |

2.   Form W-2G

ERC 0124, 0290, **0292**, 0295, 0616 |

3.   Form W-2GU

ERC 0616, 1041, 1042, 1043, 1044, 1045, 1047

4.   Foreign Employer Compensation (FEC) Record

ERC 0411, 0412, 0413, 0414, 0415

5.   Form 970

ERC 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030,
1031

6.   Form 982

ERC 0782, 0783, 0784

7.   Form 1099-R

ERC 0125, 0290, **0293**, 0295, 0616 |

8.   Form 1116

ERC 0230, 0231, 0232

9.   Form 1310

ERC 0518, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009,
1010, 1011, 1012, 1013, 1017, 1018, **1035, 1036, 1037, 1038** |

10.   Form 2106 and Form 2106-EZ

ERC 0048, 0049

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

11. **Form 2120**

ERC 0702, 0703, 0706, 0707, 0708

12. **Form 2210 and Form 2210F**

ERC 0147, 0148

13. **Form 2439**

ERC 0785, 0786

14. **Form 2441 and Schedule 2**

ERC 0074, 0090, 0095, 0137, 0298, 0296, 0298

15. **Form 2555 and Form 2555EZ**

ERC 0406, 0452, 0453, 0455, 0460, 0461, 0462, 0463, 0464, 0465, 0466, 0467, 0468, 0469, 0470, 0471, 0472

16. **Form 3468**

ERC 0723, 0724

17. **Form 3800**

ERC 0720, 0725, 0726, 0727, 0728, 0729, 0730, 0731, 0732, 0733, 0734, 0735, 0736, 0737, 0738, 0739, 0740, 0741, 0742, 0743

18. **Form 3903**

Only Field Format validations apply.

19. **Form 4136**

ERC 0422, 0423, 0424, 0425, 0427, 0446, 0447

20. **Form 4137**

ERC 0017, 0054, 0059

21. **Form 4255**

Only Field Format validations apply.

Section 11 – Validation – Specific Schedules and Forms

.08 **Error Reject Codes for Forms (continued)**

22. **Form 4562**

Only Field Format validations apply.

23. **Form 4563**

ERC 0406, 0496

24. **Form 4684**

ERC 0174

25. **Form 4797**

ERC 0171, 0667

26. **Form 4835**

ERC 0180, 0181

27. **Form 4952**

ERC 0101

28. **Form 4970**

ERC 0278 (Reserved)

29. **Form 4972**

ERC 0271, 0272, 0275, 0276, 0279

30. **Form 5074**

ERC 0406

31. **Form 5329**

ERC 0018, 0057, 0058, 0118

32. **Form 5471**

ERC 0632, 0633

33. **Schedule J (Form 5471)**

Only Field Format validations apply.

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

34. Schedule M (Form 5471)

Only Field Format validations apply.

35. Schedule N (Form 5471)

ERC 0634

36. Schedule O Form 5471)

Only Field Format validations apply.

37. Form 5713

Only Field Format validations apply.

38. Schedule A (Form 5713)

Only Field Format validations apply.

39. Schedule B (Form 5713)

Only Field Format validations apply.

40. Schedule C (Form 5713)

Only Field Format validations apply.

41. Form 5884

ERC 0744

42. Form 6198

Only Field Format validations apply.

43. Form 6251

Only Field Format validations apply.

44. Form 6252

ERC 0094

45. Form 6478

ERC 0745, 0746

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

46. **Form 6765**

ERC 0747, 0748, 0749

47. **Form 6781**

ERC 0700, 0701

48. **Form 8082**

ERC 0711, 0712, 0713

49. **Form 8271**

ERC 0430 (Reserved), 0432

50. **Form 8275**

Only Field Format validations apply.

51. **Form 8275-R**

Only Field Format validations apply.

52. **Form 8283**

Only Field Format validations apply.

53. **Form 8379**

ERC 0619, 0620, 0621, 0622, 0623, 0624, 0625, 0626, 0627, 0628, 0629,
0630 |

54. **Form 8396**

Only Field Format validations apply.

55. **Form 8582**

Only Field Format validations apply.

56. **Form 8582-CR**

ERC 0435, 0436, 0437

57. **Form 8586**

ERC 0651, 0652, 0653, 0654, 0657, 0660

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

58. **Form 8594**

ERC 1050

Only Field Format validations apply.

59. **Form 8606**

ERC 0055, 0056, 0450, 0451

60. **Form 8609**

ERC 0780, 0781

61. **Schedule A (Form 8609)**

Only Field Format validations apply.

62. **Form 8611**

Only Field Format validations apply.

63. **Form 8615**

ERC 0006, 0251, 0253, 0255, 0256, 0257, 0258

64. **Form 8621**

ERC 0768, 0769, 0771, 0772, 0773, 0774, 0775, 0776, 0777

65. **Form 8689**

ERC 0406

66. **Form 8697**

ERC 0519, 0714, 0715, 0716

67. **Form 8801**

ERC 0665

68. **Form 8812**

ERC 0475 (Reserved)

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

69. Form 8814

ERC 0006, 0261, 0262, 0264, 0265, 0266, 0267

70. Form 8815

ERC 0282, 0283

71. Form 8820

ERC 0750

72. Form 8824

Only Field Format validations apply.

73. Form 8826

ERC 0751, 0752, 0753

74. Form 8828

ERC 0288

75. Form 8829

ERC 0186, 0193

76. Form 8830

ERC 0754

77. Form 8834

ERC 0755

78. Form 8835

ERC 0756

79. Form 8839

ERC 0480, 0481, 0482, 0483, 0484, 0485, 0487 (Reserved)

80. Form 8844

ERC 0757

Section 11 – Validation – Specific Schedules and Forms

.08 Error Reject Codes for Forms (continued)

81. **Form 8845**

ERC 0758

82. **Form 8846**

ERC 0759

83. **Form 8847**

ERC 0760

84. **Form 8853**

ERC 0350, 0351, 0355, 0356, 0359, 0362, 0363, 0365 (Reserved)

85. **Form 8859**

ERC 0761

86. **Form 8860** |

ERC 0178, 0721, 0722

87. **Form 8861**

ERC 0762

88. **Form 8862**

ERC 0602, 0603, 0604, 0605

89. **Form 8863**

ERC 0379, 0380, 0381, 0383, 0385, 0387

90. **Form 8865**

ERC 0635 (Reserved), 0636, 0637, 0638, 0639, 0640, 0641, 0642, 0643, 0644,
0645, 0646, 0647, 0648, 0649, 0650, 0655, 0661, 0662

91. **Schedule K-1 (Form 8865)**

ERC 0663

92. **Schedule O (Form 8865)**

Only Field Format validations apply.

.08 Error Reject Codes for Forms (continued)

93. **Schedule P (Form 8865)**

    Only Field Format validations apply.

94. **Form 8866**

    ERC 0607

95. **Form 8873** |

    ERC 0950, 0951, 0952, 0953, 0954, 0955, 0956, 0957

96. **Form 8874** |

    ERC 0178, 0720, 0722, 0763, 0764, 0766 |

97. **Form 8880**

     ERC 0165, 0166

98. **Form 8881** |

    ERC 0178, 0720, 0722, 0764, 0765

99. **Form 8882** |

    ERC 0178, 0720, 0722, 0766

100. **Form 8884** |

    ERC 0178, 0721, 0722

101. **Form 8885** |

    ERC 1070, **1072, 1073, 1074, 1075** |

102. **Form 9465**

    ERC 0167, 0168, 0172, 0710

103. **Form Payment**

    The literal "PAYMENT REQUEST RECD" (SEQ 0115) in the Acknowledgement
    file will indicate a valid payment record on an accepted return.

    ERC 0010, 0395, 0396, 0397, 0398, 0690, 0691, 0692, 0693

Section 11 – Validation – Specific Schedules and Forms

.09 Authenticaton Record

ERC 0025, 0026, 0522, **0523**, 0664, 0670, 0671, 0672, 0673, 0674, 0675, |
0676, 0679, 0680, 0681, 0682, 0683, 0684, 0689, 0694, 0695, 0696, 0697,
0698, 0699

.10 Short Term Capital Gain/Loss (STCGL) and Long Term Capital Gain/Loss (LTCGL)

ERC 1060, 1061, 1062

.11 State Records

ERC 0009, 0042, 0399, 0400, 0401, 0402, 0403, 0404, 0405, 0406, 0407,
0408, 0410, 0419

.12 Summary Record

ERC 0027, 0151, 0152, 0153, 0154, 0155, 0156, 0157, 0416, 0438,   -|
0490, 0491, 0493, 0685, 0686, 0687, 0688, 1046, 1063, 1064

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Section 12 - Federal/State Electronic Filing Specifications

.01 What Is Federal/State Electronic Filing

Federal/State Electronic Filing is a cooperative one-stop filing program
between IRS and state tax administration agencies. This program allows the
filing of both federal and state income tax returns through the IRS Electronic
Filing System. This effort represents one of the Service's programs in support
of burden reduction for the tax preparation community and the taxpayers they
represent.

The IRS will function strictly as a "data conduit" for electronic state
returns. The term "data conduit" defines a strictly controlled process to
receive, temporarily store, and then provide correctly formatted state data
to the state tax administration agency.

.02 Federal/State Filing - Participating States

Thirty-seven states and the District of Columbia will participate in the
2003 Federal/State *e-file* Program. |

Each state will issue its own publications to detail the state's software
specifications and testing requirements. Software developers will need to
contact the appropriate state to obtain electronic filing publications. A
roster of state electronic filing coordinators is included in Section 12
Subsection 18. Updated rosters of state coordinators will be available in |
the IRS Home Page and on the IRS Centralized Bulletin Board. Most states
will place their specifications in the IRS Centralized Bulletin Board,
Federal/State Library.

If there are any comments or suggestions regarding Part I, Section 12,
please forward them to:

          Internal Revenue Service
          Federal/State Filing Program
          Joyce Colbert, W:CAS:SP:IEF:P, NCFB C4-245
          5000 Ellin Road
          Lanham, MD 20706

          Phone: (202) 283-0266
          Fax: (202) 283-4785

Section 12 - Federal/State Electronic Filing Specifications

.03 **What's New for Federal/State Electronic-Filing in 2004?**

State-Only e-file returns with Foreign Addresses. |

.04 **Federal/State _e-file_ Returns with Foreign Addresses**

IRS _e-file_ will be accepting Federal/State _e-file_ returns with Foreign
Addresses, including the U.S. possessions of American Samoa, Guam, the
Commonwealth of the Northern Mariana Islands, Puerto Rico, and the U.S.
Virgin Islands. These returns will be processed at the Philadelphia
Submission Processing Center.

.05 **Validation of Federal/State _e-file_ returns with Foreign addresses**

1. Addresses from the U.S. possessions will be formatted as U.S.
   addresses. Addresses from the foreign countries will be formatted
   using new foreign country address fields.

2. All returns with a foreign address will be transmitted at the   -|
   Philadelphia Submission Processing Center.

3. The state return would always be transmitted to the center where the
   federal return is normally sent.

4. The following IRS Error Reject Code is used exclusively for errors in
   the Foreign State return packet.

   0419 STATE RECORD

   State Record – If Address Indicator (SEQ 0097) on the Tax Return is
   equal to "3" (indicating a foreign country), then the following
   fields must be present: Foreign Street Address (SEQ 0077), Foreign
   City, State or Province, Postal Code (SEQ 0087), and Foreign Country
   (SEQ 0098); and the following fields cannot be present: Street
   Address (SEQ 0080), City (SEQ 0085), State Abbreviation (SEQ 0095)
   and Zip Code (SEQ 0100).

   If Address Indicator (SEQ 0097) on the Tax Return is not equal to "3",
   then the following fields cannot be present: Foreign Street Address
   (SEQ 0077), Foreign City, State or Province, Postal Code (SEQ 0087),
   and Foreign Country (SEQ 0098).

   0430 STATE RECORD |

   State Record – If State Abbreviation (SEQ 0095) equals "AS", "GU", "MP", |
   "PR" or "VI"; or Address Ind SEQ (0097) on the Sate Only 1040 equals "3" |
   it must be processed at Philadelphia. |

Section 12 - Federal/State Electronic Filing Specifications

.06 State-Only Filing

Any Federal/State e-file participant has the option of participating in   -|
State-Only **e**-filing. Taxpayers will have the choice of filing a State
Return without the standard Form 1040 attached for the following instances:

- Previously rejected state *e-file* return
- State return input separately from Federal return
- Part-year resident state return
- Multiple state returns for one taxpayer
- Non-resident state returns
- Married filing separately with state, but filing jointly with Federal return

    Note: Foreign Return Addresses will not be accepted for State-Only Returns.

.07 Validation of State-Only Returns

1. State-Only return data will contain a Form 1040, Page 1 record,
   state return packet, and a Summary record. The State Abbreviation of
   the Form 1040 (SEQ 0087) must contain the value "SO", indicating that:
   (1) State-Only return data is attached, (2) State-Only processing will
   be performed, and (3) Form 1040, Page 2 and foreign 1040 processing
   will be bypassed.

2. The State-Only return should always be transmitted to the Center that
   supports that particular state.

3. If the State Abbreviation (SEQ 0087) is equal to "SO" **in variable format** |
   of the Form 1040 Page 1 record, then the highest sequence number present
   cannot be greater than the **Address Indicator (SEQ 0097). If the State** |
   Abbreviation field is equal to "SO" in fixed format of the Form 1040 |
   Page 1 record, then all fields beyond the Address Indicator field must |
   be blank. |

4. The Primary SSN of the State-Only 1040 record (SEQ 0010) must
   equal the SSN of the attached State generic record and the Taxpayer
   Identification Number of the Summary record (SEQ 0002).

5. The Primary SSN (SEQ 0010) and Primary Name Control (SEQ 0050)
   of State-Only 1040 record must match data from the IRS Master File.

6. The Secondary SSN (SEQ 0030) and Secondary Name Control (SEQ 0055)
   of State-Only 1040 record must match data from the IRS Master File.

7. The RECAP Record will contain a new count for the total number of
   State-Only returns (SEQ 0130).

8. If there is an entry in the State Direct Deposit/Direct Debit Section
   the IRS will verify the state Routing Transit Number (RTN). If the
   state RTN is not listed on the current Financial Organization Master
   File (FOMF) an indicator will be set for the state's future use.
   The return will not be rejected.

9. A new count of accepted State-Only returns must be provided in the
   RECAP record (SEQ 0135).

.07 Validation of State-Only Returns (continued)

10. State-Only returns will be included in the YR-TO-DATE-COUNT Record (SEQ 0270) of the STCAP record.

11. The following IRS Error Reject Codes are used exclusively for errors in the State-Only return packet.

    0040   FORM 1040

State Only Return – If the State Abbreviation (SEQ 0087) is equal to "SO" **in variable format** of the Form 1040 Page 1 record, then the highest sequence number present cannot be greater than the **Address Indicator (SEQ 0097).**

If the State Abbreviation field is equal to "SO" in fixed format of the Form 1040 Page 1 record, then all fields beyond the Address Indicator field must be blank.

    0042   STATE-ONLY RETURNS

No other records, other than the following can be present: Form 1040 Page 1, State Generic Record, Unformatted Record, and Summary Record.

Only the following must be present: Form 1040 Page 1, State Generic Record, at least one Unformatted Record and a Summary Record.

    0399   STATE RECORD

State-Only Returns – The Primary SSN (SEQ 0010) must match the Primary SSN (SEQ 0010) of Form 1040.

    0516   STATE RECORD

Primary SSN (SEQ 0010) and the Primary Name Control (SEQ 0050) of the State-Only 1040 Return must match data from the IRS Master File.

    0517   STATE RECORD

Secondary SSN (SEQ 0030) and the Secondary Name Control (SEQ 0055) of the State-Only 1040 Return must match data from the IRS Master File.

    0832   RECAP RECORD

Total State-Only Return Count (SEQ 0130) does not equal program computed count. Total State-Only Return Count is a count of State-Only Returns transmitted and is incremented each time the Primary SSN within a Record ID changes.

Section 12 - Federal/State Electronic Filing Specifications

.08 Data Communications

All **e**-file returns will be transmitted to two transmission centers, Austin Submission Processing Center and Tennessee Computing Center. The data communications procedures described in Section 1 will be the same for transmitting Federal/State electronic returns as for transmitting federal electronic returns. Federal/State electronic returns are to be transmitted based on the following state home center relationship:

Home Service Center	Transmit Site	States Supported
Andover	**Austin**	**CT DC DE MD NJ NY PA RI VA VT**
Austin	Austin	IA IL KS MO NM OK WI
Kansas	Tennessee	IN KY MI OH SC WV
Memphis	Tennessee	AL AR GA LA MS NC
Philadelphia	Austin	AZ CO HI ID MT ND NE OR UT

IRS will reject Federal/State returns that are not submitted to the correct home service center. The correct home Submission Processing Center is always the center supporting the state of the taxpayer's residence. In other words, if it is a Federal/State electronic return, always transmit it to the home Submission Processing Center that supports the state. For federal returns only, **the ERO should** always transmit to supporting home service center.
For On-Line federal returns, transmission should be based on taxpayer's address.

Section 12 - Federal/State Electronic Filing Specifications

.09 Record Format General Description

The fifth series of federal records (after return, schedule, forms, and statement records) are the electronic state records. There are two different electronic state records, the "generic" and the "unformatted". A combination of these records make up the state return packet. The IRS record layouts for the generic and unformatted records are specified in the Part II Record Layouts.

The state records should be formatted following IRS and state specifications. All the tax information that the state requires is included in the state packet. The IRS does not augment the state packet in any way. The state records are considered logical records and all the specifications provided in Section 2 apply except for the following:

1. The counts entered in Number of Logical Records in Tax Return (SEQ 0040) and Number of Form Records (SEQ 0090) of the Summary Record must include a count for each state packet.

2. Increase the counts in Number of Logical Records in Tax Return (SEQ 0040) and Number of Form Records (SEQ 0090) by "1" for each state packet, whether there are one or ten records in the state packet. The IRS will reject the return if these counts are not accurate.

.10 File Format General Description

The Federal/State electronic filing process requires that participating electronic filers comply with the following file specifications:

1. A state packet cannot be filed without the associated federal return. The IRS will not accept more than one state packet per electronic return. The state packet can be associated with a federal refund, zero-balance or balance due return.

2. The state packet must be placed after the federal statement records and before the preparer notes record. Any other order will cause return rejection.

Section 12 - Federal/State Electronic Filing Specifications

.11 File Format Fixed and Variable Length Options

Electronic filers can transmit Federal/State returns using the fixed or
variable length options described in Section 2. State records transmitted
to IRS using the variable format option are expanded by IRS into fixed format
before the records are provided to the state. Some states require copies of
the federal return within the unformatted state records. Since IRS expands
these records to fixed format before they are provided to the state, in order
for states to receive a "variable" format within the fixed format the following
specifications apply to state records:

1. No data field in any state record should contain the following stream of
   characters or the return will be rejected by the Data Communications
   Subsystem:

   ****TRANA, ****TRANB, ****1040 PG01, ****RECAP, ****SUM.

2. State records must not contain the following data characters: "[" "]"
   "#" "*" within the state's variable format. These are reserved by the IRS
   for use as delimiters.

3. The following delimiters must be used to transmit the unformatted state
   records as variable to the state:
   "{" instead of "[" and
   "}" instead of "]" and
   "$" instead of "#" and
   "!" instead of "*".

   The hexadecimal representations of these characters are:

Symbol	ASCII Hex		Symbol	ASCII Hex
[	5B		}	7B
]	5D		}	7D
#	23		$	24
*	2A		!	21

4. The IRS Record Layouts for generic and unformatted records contain
   the only valid Field Sequence Numbers for IRS processing. Any Sequence
   Number transmitted that is not listed, or any Sequence Number transmitted
   that duplicates a prior Sequence Number will cause rejection.

Section 12 - Federal/State Electronic Filing Specifications

.12 Types of Characters

The character specifications provided in Section 5 for ALPHA, NUMERIC, and ALPHANUMERIC apply to state records. The section "Special Cases for Special Characters" does not apply to state records. For example, each state may have requirements which are different from IRS requirements for formatting the taxpayer's name and address.

.13 Acknowledgment File

Each file of electronic returns transmitted by an electronic filer will normally be acknowledged within forty-eight hours of receipt and, if the Federal/State return is accepted, the state packet will be available for state retrieval within twenty-four hours of IRS acknowledgment.

The ACK Key Record received by the transmitters will contain a State Packet Code. This code indicates whether a state packet was filed in conjunction with the accepted or rejected federal return. IRS acceptance of the federal return and receipt of the state packet **does not imply state acknowledgment or acceptance of the state tax return**.

The State Packet Code in the ACK Key Record will be blank if there is no state packet associated with the federal return, or will consist of the two character state abbreviation contained in the State Code field of the generic record. This is the only field in the ACK Key Record that is changed due to the presence of a state return packet. The Expected Refund or Balance Due field, the Duplicate Code field, and EFT Code field refer only to the federal return.

The state records are identified in the ACK Error Record by the Form Record Id Type ("STbbbb"),and Form Number ("0001bb" or "0002bb") Page Number and Form/Schedule Number.

Once a state packet is available for state retrieval, filers need to contact the respective state to resolve taxpayer problems. Error resolution for state returns is the responsibility of the state tax administration agency. The IRS will purge state packets thirty days from IRS acknowledgment of federal return acceptance. Electronic filers <u>must</u> contact the states to obtain state acknowledgment of state return receipt.

Section 12 - Federal/State Electronic Filing Specifications

.14 Record Format Fixed and Variable Examples

There are three different electronic state records, the "generic", "unformatted" and "State-Only". A combination of these records make up the state packet.

  1. Example of a variable Generic Record:

```
---------1---------2---------3---------4---------5---------6
123456789012345678901234567890123456789012345678901234567890

0276****ST    0001  PG01 123456789 0000001[0010]SC[0020]00570321
000116[0060]JANE TEST  DOE NOW 35 CHARACTERS R[0075]3440
LITTLE RANC H RD    NOW 35 CHAR[085]LADSON  NOW 22 CHAR
AC[0095]SC[0100]294566666666[0110]00018[0150]1[0155]01[0195]411
2[0200]3400[0310]10308V[0525]185[0550]185[0580]185[0650]B#
```

  2. Example of a variable Unformatted Record that contains a "variable" federal record:

```
---------1---------2---------3---------4---------5---------6
123456789012345678901234567890123456789012345678901234567890

1004****ST    0002  PG02 123456789 0000001[0010]SC[0020]00570321
117551[0050]0318!!!!FRM   W2   PG01 123456789 0000001{0030}PAT
RICKCHILDS DBA LOW COUNTRY{0040}100 LIBERTY HALL R[00
55]D SUITE 102{0050}GOOSE CREEK SC 29445{0060}400006745{00
70}400002047{0090}400005100{0200}490{0210}36[0060]54{0220}227
{0230}3654{0245}3654{0255}53{0310}DOE   JANETEST {0320}3440
LITTLE RAN[0065]CH RD{0330}LADSON SC 29456{0380}171{0390}
3654{0400}SC{0500}S$02[0070]82[0105]S$#
```

                                                              -|

Section 12 - Federal/State Electronic Filing Specifications

.15 STCAP Record Layout

Field Identification		Length		Field Description
	Start-Record-Sentinel	4	A	Value "****".
0000	Record-Name	5	A	Value "STCAP"
0010	Filler	1	AN	Value Blank
0020	Total-Records	10	N	Value numeric
0030	Filler	1	AN	Value Blank
0040	Total-Generic	8	N	Value numeric
0050	Filler	1	AN	Value Blank
0060	Total-Unformatted	8	N	Value numeric
0070	PATS-Indicator	1	A	Value "P" if PATS data Blank if live data
0080	Filler	1	AN	Value Blank
0090	Process Date	8	N	IRS Accept Date {YYYYMMDD}
	SRS-Use-Fields			Reserved for SRS Use
0100	SRS-State-SRIN	5	N	St Retrieval SRIN
0110	Filler	1	A	Value Blank
0120	SRS-State-*file*-Name	12	A	State Abbr. followed by SEQ Number followed by .gz
0130	Filler	6	A	Value Blank
0140	Drain-Total-Returns	8	N	Value numeric
0150	Filler	1	AN	Value Blank
0160	Drain-Tot-Return-Accp	8	N	Value numeric
0170	Filler	1	AN	Value Blank
0180	Drain-Tot-Record-Accp	10	N	Value numeric
0190	Filler	1	AN	Value Blank
0200	Drain-Total-Return-Rej	8	N	Value numeric
0210	Filler	2	AN	Value Blank
0220	SRS-Hash-SSNS	14	N	Numeric
0230	SRS-File-Number	3	N	Numeric
0240	SRS-File-Total	3	N	Numeric
0250	PDATE	8	N	Numeric (yyyymmdd)
0260	PTIME	4	N	Numeric (HHMM)
0270	YR-TO-DATE-COUNT	10	N	Numeric
	Record-Terminus	1	A	Value #.

Section 12 - Federal/State Electronic Filing Specifications

.16 Validation of State Records

Most standard reject conditions for state records are listed in the preceding section. Additionally, filers must follow these specifications or the state record(s) could be rejected.

1. The state packet consists of the state generic record followed by all associated unformatted records for the taxpayer. A maximum of one state generic record, and zero to nine unformatted records can be contained in a packet. Only one state packet is allowed per federal return.

2. A generic record must be present in each state packet. Only one generic record is allowed per state packet. The generic record must precede any unformatted records for that tax return.

3. An unformatted record is not required; however, up to nine unformatted records are allowed per state return packet. If more than nine are present, the entire return is rejected with Error Reject Code 0045.

4. The Header Section in the generic and unformatted records (SEQ 0000 through SEQ 0020) must be present.

5. The Record ID's in both the generic and unformatted records are checked for consistency. If inconsistent, the record is rejected. The Record ID consists of 26 characters, broken down as follows:

Record ID Type	6	(Both Records "STbbbb")
Form Number	6	(Generic Record "0001bb"
		Unformatted Record "0002bb")
Page Number	5	(Both Records"PG01b")
Taxpayer Identification Number	9	N (Primary SSN)
Filler	1	blank
Form/Schedule Number	7	N (Generic"0000001"
		Unformatted "0000001 to "0000009")

6. The State Code represents the taxpayer's residence state. The taxpayer's residence state may be different than the state of the taxpayer's address. State return packets are distributed to states based on the state code in the generic record. The state code must be a valid Federal/State Electronic Filing state. Valid states in Tax Year **2003** are: |

Alabama.........AL	Kansas..........KS	New York........NY
Arkansas........AR	Kentucky........KY	North Carolina..NC
Arizona.........AZ	Louisiana.......LA	Ohio............OH
Colorado........CO	Maryland........MD	Oklahoma........OK
Connecticut.....CT	Michigan........MI	Oregon..........OR
Washington DC...DC	Mississippi.....MS	Pennsylvania....PA
Delaware........DE	Missouri........MO	Rhode Island....RI
Hawaii...... ...HI	Montana.........MT	South Carolina..SC
Georgia.........GA	North Dakota....ND	**Utah............UT**
Idaho...........ID	Nebraska........NE	Vermont.........VT
Illinois........IL	New Jersey......NJ	Virginia........VA
Indiana.........IN	New Mexico......NM	West Virginia...WV
Iowa............IA		Wisconsin.......WI

   The state code must be consistent throughout the generic record and all associated unformatted records for the taxpayer.

.16   Validation of State Records (continued)

7. The State Direct Deposit/Direct Debit Section should be blank if there is
    no direct deposit or direct debit at the state level. There is no
    connection between the federal and state direct deposit or direct debit
    fields since these can differ. Taxpayers may elect to have the federal and
    state direct deposit or direct debits in the same account, or they can
    chose different accounts.

8. If there is an entry in the State Direct Deposit/Direct Debit Section the
    IRS will verify the state Routing Transit Number (RTN). If the state RTN
    is not listed on the current Financial Organization Master File (FOMF) an
    indicator will be set for the state's future use. The return will not be
    rejected.

9. The following Entity Section fields of the generic record must be
    significant or the returns will be rejected by the IRS: Name Line 1
    (SEQ 0060), Address Line 1 (SEQ 0075), City (SEQ 0085), State Abbreviation
    (SEQ 0095), and Zip Code (SEQ 0100).

10. Entries in the Consistency Section of the generic record, when not blank,
    must correspond to the same entries on the federal return. If an entry is
    significant (i.e., not blank), it will be compared to the federal return.
    If a Consistency Section entry does not match the corresponding federal
    entry, the return will be rejected.

    To the extent possible, the Sequence Numbers for Forms 1040, 1040A,
    and 1040EZ are the same for the equivalent fields. If no Sequence Number
    is given, the field does not exist for that form.

Generic Record Consistency Section	1040	1040A	1040EZ
	----Sequence Number----		
0150 Federal Filing Status---------------	0130	0130	(See note)
0155 Total Federal Exemptions------------	0360	0360	(See note)
0160 Wages, Salaries, Tips---------------	0375	0375	0375
0165 Taxable Interest--------------------	0380	0380	0380
0170 Tax Exempt Interest-----------------	0385	0385	0385
0175 Dividends---------------------------	0394	0394	
0180 State/Local Income Tax Refund-------	0420		
0185 Taxable Social Security Benefits-----	0557	0557	
0190 Keogh Plan and SEP Deductions-------	**0650**		
0195 Adjusted Gross Income---------------	0750	0750	0750
0200 Standard/Itemized Deductions--------	0789	0789	
0205 Earned Income Credit----------------	1180	1180	1180

    Note: The Generic Record Federal Filing Status (SEQ 0150) and the Total
    Federal Exemptions (SEQ 0155) can contain an entry when the corresponding
    federal form is a Form 1040EZ and IRS will not reject the Federal/State
    return.

    SEQ 0032 of the Generic Record is for IRS Use Only. IRS will populate
    this field.

.16   Validation of State Records (continued)

11.   The numeric fields (SEQ 0360 - SEQ 0675), if not blank, will be checked for format.

12.   The IRS will check the Declaration Control Number (DCN) in the federal Form 1040, 1040A, or 1040EZ against the Declaration Control Number (SEQ 0020) of the Generic and Unformatted Records and reject both the federal and state returns if these are not equal.

13.   The IRS will check the Return Sequence Number (RSN) in the federal Form 1040, 1040A, or 1040EZ against the Return Sequence Number (SEQ 0023) of the Generic Record and reject both the federal and state returns if these are not equal.

14.   The IRS will check all Federal/State returns for the following fields on Form(s) W-2: If "State Income Tax 1" (SEQ 0400) contains a positive value, then "State Name 1" (SEQ 0370) should contain a Standard Postal State Abbreviation. If "State Income Tax 2" (SEQ 0470) contains a positive value, then "State Name 2" (SEQ 0440) should contain a Standard Postal State Abbreviation. If this is not done, both the federal and state returns will be rejected with Error Reject Code **0**405.

15.   If the federal return is an On-Line return, the associated state return must also be an On-Line return. IRS will check the On-Line-State-Return (SEQ 0049) indicator of the state Generic Record. If these do not match, the Federal/State return will be rejected.

16.   The following IRS Error Reject Codes are used exclusively for errors in the state return packet:

          0009   STATE RECORD

     The unformatted state record exceeds the maximum length.

          0400   STATE RECORD

     The Generic Record must be present in the state data packet.

     An Unformatted Record was present without the Generic Record, or the Unformatted Record preceded the Generic Record.

          0401   STATE RECORD - STATE CODE (SEQ 0010)

     The State Code (SEQ 0010) in the Header Section of the Generic Record must be valid for the processing service center.

     The State Code must be consistent throughout Generic and associated Unformatted Records for the return.

          0402   STATE RECORD - ENTITY SECTION

     All "Required Entry" fields in the Entity Section of the Generic Record (SEQ 0060, 0075, 0085, 0095, 0100) must be present.

          0403   STATE RECORD - CONSISTENCY FIELDS

     Any entry present in the Consistency Section of the Generic Record must equal the corresponding federal Tax Form entry.

.16   Validation of State Records (continued)

   0404   STATE RECORD - DECLARATION CONTROL NUMBER (DCN)

The DCN (SEQ 0020) of the Generic Record must equal the DCN of the
federal Tax Form.

The DCN (SEQ 0020) of the Generic Record must equal the DCN (SEQ 0020)
of the Unformatted Record.

   0405   STATE RECORD - FORM W-2 CHECK

Each Form W-2 associated with a State Record must contain a valid State
Abbreviation in State Name (SEQ 0370, 0440) when there is a significant
entry in State Income Tax (SEQ 0400, 0470).

   0406   STATE RECORD

An "out of service center" District Office (DO) is permitted when State
Data is present; or when Processing Site equals **"G"** (**Philadelphia**) and |
at least one of the following is present: Form 2555, Form 2555-EZ,
Form 4563, Form 5074, Form 8689, an Address Ind (SEQ 0097) of the Tax
Form equal to "3"; a State Abbreviation (SEQ 0087) of the Tax Form equal
to "AS", "GU", "MP", "PR", or "VI".

   0407   STATE RECORD - RETURN SEQUENCE NUMBER (RSN)

The Return Sequence Number (RSN) (SEQ 0023) of the Generic Record must
equal the RSN of the Federal Tax Form.

   0408   STATE RECORD - ONLINE RETURN INDICATOR

When On-Line-State-Return (SEQ 0049) of the Generic Record is equal to
"O", the Transmission Type Code (Field 15) of the TRANS Record A (TRANA)
must equal "O", and vice versa.

Section 12 - Federal/State Electronic Filing Specifications

.17   State *e-file* Coordinators

ALABAMA DEPARTMENT OF REVENUE http://www.ador.state.al.us Buddy Bray, Coordinator Individual and Corporate Tax Division Gordon Persons Bldg. Room 4340 50 N. Ripley St. Montgomery, Al 36104	E-mail: bbray@revenue.state.al.us Telephone (334) 242-1219 Fax: (334) 353-8068
Arizona Department of Revenue http://www.revenue.state.az.us Ed Vaughan, Coordinator 1600 West Monroe Ave. Phoenix, AZ 85007	E-mail: efile@revenue.state.az.us and/or vaughane@revenue.state.az.us Telephone (602) 542-3141 x4601 Fax (602) 542-4254
Arkansas Department of Finance and Administration http://www.state.ar.us/efile Dan Brown, Coordinator P.O. Box 8110 (ZIP 72203-8110) 7th and Wolfe Streets G-34 Little Rock, AR 72201	E-mail: dan.brown@rev.state.ar.us Telephone (501) 682-7070 Help Desk (501) 682-7925 Fax (501) 682-7393
California Franchise Tax Board http://www.ftb.ca.gov Sean McDaniel, Coordinator Electronic Processing Section MSA-1 Franchise Tax Board P.O. Box 1468 Sacramento, CA 95812	E-mail: efile@ftb.ca.gov Telephone (916) 845-0353 Fax (916) 845-0287
Colorado Department of Revenue http://www.revenue.state.co.us Stephen Asbell, Coordinator 1375 Sherman St., Rm. 286 Denver, CO 80061	E-mail: sasbell@spike.dor.state.co.us Telephone (303) 866-5581 Fax (303) 866-2833
Connecticut Department of Revenue Services http://www.drs.state.ct.us Jason Purslow, Coordinator 25 Sigourney St. Hartford, CT 06106	E-mail: jason.purslow@po.state.ct.us Telephone (860) 297-5979 Fax (860) 297-4757
Delaware Division of Revenue http://www.state.de.us/revenue James Stewart, Coordinator 820 N. French St. Wilmington, DE 19801	E-mail: jastewart@state.de.us Telephone (302) 577-8170 Fax (302) 577-8202
District of Columbia http://www.dc.gov Office of Chief Financial Officer Sonja Peterson, Coordinator 941 North Capital St., 6th Floor Washington, DC 20002	E-mail: sonja.peterson@dc.gov Telephone (202) 442-6461 Fax (202) 442-6330
Georgia Department of Revenue http://www.gatax.org Sandy Sharpe, Coordinator 270 Washington St., Rm. 201A Atlanta, GA 30334	E-mail: ssharp@gw.rev.state.ga.us Help Desk (404) 675-4992 Fax (404) 651-8266
Hawaii Department of Taxation http://www.state.hi.us/tax/tax.html Susan Adamson, Coordinator P.O. Box 259 Honolulu, HI 96809-0259	E-mail: efile@tax.state.hi.us Telephone: (808) 587-1692 Fax not available

.17   State *e-file* Coordinators (continued)

Idaho State Tax Commission http://www.state.id.us Dawn Glazier, Coordinator 800 Park Blvd., Plaza IV Boise, ID 83722-0410	E-mail: dglazier@tax.state.id.us Telephone (208) 334-7822 Fax (208) 334-7650
Illinois Department of Revenue http://www.iltax.com Kevin Richards, Coordinator 101 West Jefferson St., 2-249 Springfield, IL 62702	E-mail: krichards@revenue.state.il.us Help Desk (217) 524-4767 or 4097 Fax (217) 782-7992
Indiana Department of Revenue http://www.in.gov/dor Bill Dunbar, Coordinator 5150 Decatur Blvd Indianapolis, IN 46241	E-mail: bdunbar@dor.state.in.us Telephone (317) 615-2508 Fax (317) 615-2520
Iowa Department of Revenue and Finance http://www.state.ia.us/government/drf Richard Jacobs, Coordinator 1305 East Walnut, 4th Fl. Des Moines, IA 50319	E-mail: Richard.Jacobs@idrf.state.ia.us Help Desk (515) 242-6359 Fax (515) 242-6040
Kansas Department of Revenue www.ksrevenue.org/ecommerce Nancy H. Lewis, Coordinator 915 SW Harrison Topeka, KS 66625-4066	E-mail: Nancy_Lewis@kdor.state.ks.us Telephone (785) 296-4066 Fax (785) 296-0153
Kentucky Revenue Cabinet http://revenue.state.ky.us Judy Ritchie, Coordinator 1266 Louisville Rd. Frankfort, KY 40620	E-mail: Judy.Ritchie@mail.state.ky.us Telephone (502) 564-5370 Fax (502) 564-9897
Louisiana Department of Revenue http://www.rev.state.la.us Naomi Foret, Coordinator (P.O. Box 201 Zip 70821-0201) 617 North 3rd St. Baton Rouge, LA 70802	E-mail: nforet@rev.state.la.us Help Desk (225) 219-2490 or 2492 Fax (225) 219-2489
Maine Revenue Services http:/www.state.me.us/revenue Michael J. Thompson, Coordinator State House Station 24 Augusta, Maine 04333	E-mail: michael.j.thompson@state.me.us efile.helpdesk@state.me.us Telephone (207) 624-9730 Fax (207) 624-9740
Maryland Office of the Comptroller http://www.comp.state.md.us Jeane Olson, Coordinator Van Jones, Assistant 110 Carroll St. Annapolis, MD 21411	E-mail: : jolson@comp.state.md.us E-mail: : vjones@comp.state.md.us Telephone (410) 260-7753 Fax (410) 974-2967
Massachussetts Department of Revenue http://www.dor.state.ma.us/ Kara A. Tempesta, Coordinator (P.O. Box 7013, Boston, MA 02204) 200 Arlington St. Chelsea, MA 02150	E-mail: tempestak@dor.state.ma.us Phone: (617) 887-5008 Fax (617) 887-5029
Michigan Department of Treasury http://www.michigan.gov/treasury Annette L. Olivier-Wolfe, Coordinator Lansing, MI 48922	E-mail: MIefile2D@michigan.gov Telephone (517) 636-4450 Fax (517) 636-4444

.17   **State *e-file* Coordinators** (continued)

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Mississippi State Tax Commission http://www.mstc.state.ms.us/index2.htm Niki Meadows, Coordinator P.O. Box 1033 Jackson, MS 39215	E-mail: nmeadows@mstc.state.ms.us Help Desk (601) 923-7055 Fax (601) 923-7039
Missouri Department of Revenue http://dor.state.mo.us Jerry Wingate, Coordinator 301 W. High St., Rm. 218 Jefferson City, MO 65105	E-mail: Jerry_Wingate@mail.dor.state.mo.us Telephone (573) 522-4300 Fax (573) 526-5915
Montana Department of Revenue http://www.mt.gov/revenue Dave Berg, Coordinator (P.O. Box 5805 zip 59620) 125 North Roberts Helena, MT 59601	E-mail: daberg@state.mt.us Telephone (406) 444-6957 or 406-444-1505 Fax (406) 444-4556
Nebraska Department of Revenue http://www.nol.org/home/NDR Larry Chapman, Coordinator (P.O. Box 94818, Lincoln, NE 68509-4818) 301 Centennial Mall South Lincoln, NE 68508	E-mail: lchapman@rev.state.ne.us Telephone (402) 471-5619 Fax (402) 471-5608
New Jersey Division of Taxation http://www.state.nj.us/treasury/revenue James Stores, Coordinator (P.O. Box 191 zip 08646-0191) 847 Roebling Avenue Trenton, NJ 08625	E-mail: jsores@revenue.state.nj.us Help Desk (609) 984-7017 Fax (609) 292-1777
New Mexico Taxation and Revenue http://www.state.nm.us/tax Paul Mann, Coordinator 1100 S. St. Francis Drive #3040 Santa Fe, NM 87501	E-mail: pmann@state.nm.us Telephone (505) 476-3773 Fax (505) 827-0469
New York Department of Taxation and Finance http://www.tax.state.ny.us/ Joann Loomis, Coordinator W.A. Harriman Campus, B8, Room 758 Albany, NY 12227	E-mail: joann_loomis@tax.state.ny.us Help Desk (518) 457-7296 Fax (518) 485-0449
North Carolina Department of Revenue http://www.dor.state.nc.us/DOR Alice Worsley, Coordinator (P.O. Box 871 Zip 27602) 501 North Wilmington St. Raleigh, NC 27604	E-mail: Alice.Worsley@ncmail.net E-mail: Johnetta.Baugham@ncmail.net Telephone (919) 733-1674 Fax (919) 715-6086

.17   State *e-file* Coordinators (continued)

North Dakota Office of State Tax Commissioner http://www.state.nd.us/taxdpt Chuck W. Picard, Coordinator 600 East Boulevard Ave. Bismarck, ND 58505-0599	E-mail: cpicard@state.nd.us Telephone (701) 328-3129 Fax (701) 328-3700
Ohio Department of Taxation http://www.state.oh.us/tax Karen Fisk, Coordinator P.O. Box 182847 Columbus, OH 43218-2847	E-mail: Karen_Fisk@tax.state.oh.us Help Desk (614) 433-7773 Fax (614) 433-7771
Oklahoma Tax Commission http://www.oktax.state.ok.us Darla Young, Coordinator 2501 Lincoln Boulevard Oklahoma City, OK 73914	E-mail: dyoung@oktax.state.ok.us Help Desk (405) 521-3124 Fax (405) 522-4275
Oregon Department of Revenue http://www.dor.state.or.us Stacey Heller Weeks, Coordinator 955 Center St., N.E. Salem, OR 97301	E-mail: stacey.h.weeks@state.or.us Telephone (503) 945-8642 Fax (503) 945-8649
Pennsylvania Department of Revenue http://www.revenue.state.pa.us Richard Santo, Coordinator Bureau of Individual Taxes 5th Floor Strawberry Square Harrisburg, PA 17128-0605	E-mail: rsanto@state.pa.us E-mail: ncarberry@state.pa.us Help Desk (717) 787-4017 Fax (717) 772-4193
Rhode Island Division of Taxation http://www.doa.state.ri.us/tax Susan Galvin, Coordinator Division of Taxation One Capitol Hill Providence, RI 02908-5800 M. Paola Laorenza, secondary contact	E-mail: galvins@tax.state.ri.us Telephone (401) 222-2263 Fax (401) 222-6288 E-mail: mlaorenz@tax.state.ri.us Telephone: (401) 222-4091 Fax (401) 222-6288
South Carolina Department of Revenue www.sctax.org Keith Wicker, Coordinator (P.O. Box 125 29214-0401) 301 Gervais Street Columbia, SC 29214	E-mail: wickerk@sctax.org Telephone (803) 898-5541 Fax (803) 898-5339
Utah State Tax Commission http://txdtm01.tax.ex.state.ut.us Douglas D. Hansen, Coordinator 210 North 1950 West Salt Lake City, UT 84134	E-mail: ddhanse@utah.gov Telephone (801) 297-7575 Fax (801) 297-7698
Vermont Department of Taxes http://www.state.vt.us/tax/index.htm Trilene Roach, Coordinator 109 State Street Montpelier, VT 05609-1401	E-mail: troach@tax.state.vt.us Telephone: (802) 828-3055 Fax: (802) 828-3754
Virginia Department of Taxation http://www.tax.state.va.us Kerry Williams, Coordinator P.O. Box 27423 Richmond, VA 23261-7423	E-mail: ELFcoordinator@tax.state.va.us E-mail: kwilliams@tax.state.va.us Help desk (804) 367-6100 FAX (804) 367-0224

.17 **State *e-file* Coordinators** (continued)

West Virginia State Tax Department http://www.state.wv.us/taxrev Jeff Anderson, Coordinator (P.O. Box 2222 zip 25328) 1001 Lee Street Charleston, WV 25301	E-mail: janderson@tax.state.wv.us Help Desk (304) 558-8655 Fax (304) 558-1991
Wisconsin Department of Revenue http://www.dor.state.wi.us/ Marcia Gray, Coordinator (P.O. Box 8977, Zip 53708) 2135 Rimrock Road Madison, WI 53713	E-mail: marcia.gray@dor.state.wi.us Telephone (608) 264-6886 Fax (608) 264-6884

Section 13 – Electronic Signatures Specifications

IRS has two electronic signatures method available for taxpayers to sign their tax returns, the Self-Select PIN and Practitioner PIN.

01. What is the Practitioner PIN method?

The Practitioner PIN method is another electronic signature option for Taxpayers to *e-file* using a five digit PIN. The taxpayer chooses any five digits, except ALL zeros, as their PIN signature and must use an Electronic Return Originator (ERO) to *e-file* under this method.

NOTE: Date of Birth and Prior Year Adjusted Gross Income are not required.

The Practitioner PIN method offers another signature option as well for EROs to use in preparing and transmitting Forms 1040/A/EZ to IRS. This method is totally paperless and eliminates the Form 8453 in most cases.

See Questions and Answers for the Practitioner PIN method at the end of this Section.

Questions or comments regarding the Practitioner PIN method should be sent to:

Internal Revenue Service
Teara Mitchell, W:CAS:SP:IEF:P |
5000 Ellin RD
Lanham, MD 20706

Section 13 – Electronic Signatures Specifications

02.   Taxpayer Eligibility Requirements for the Self-Select PIN Method

The following taxpayers **are eligible** to use this option:

- Taxpayers who filed Form 1040, 1040A, or 1040EZ or Telefile for Tax Year 200**2**. |
- Taxpayers who filed Form 1040 PR for TY 2002, who are eligible to file Form 1040 for Tax Year 200**3**. |
- Taxpayers who did not file for Tax Year 2002, but have filed previously.
- Taxpayers who are 16 or older on or before December 31, 200**3,** who have | never filed a tax return.
- Taxpayers under age 16, filing as Primary Taxpayers, who have filed previously.
- Taxpayers under age 16, filing as Secondary Taxpayers (spouse), who Filed in the immediate prior year.
- Military personnel residing overseas with APO/FPO addresses.
- Taxpayers residing in the American Possessions of the Virgin Islands, Puerto Rico, America Samoa, Guam and Northern Marianas, or with foreign country addresses.
- Taxpayers filing Form 4868 (extension of time to file), Form 2688 (additional extension of time to file) or Form 2350 (extension for certain U.S. citizens living aboard).
- Those who are filing on behalf of deceased taxpayers.

The following taxpayers **are NOT** eligible to participate:

- Primary Taxpayers under age 16 who have never filed
- Secondary Taxpayers under age 16 who did not file in the immediate prior year.
- Taxpayers who filed Forms 1040-NR or 1040-SS for Tax Year 2002
- Taxpayers whose returns require attachments other than Form W-2, W-2G, or 1099-R; Taxpayers required to file the following forms: –|

  - Form 3115, Application for Change in Accounting Method,
  - Form 3468, Computation of Investment Credit (if attachment is required),
  - From 5713, International Boycott Report,
  - Form 8283, Non-Cash Charitable Contributions (if using Part B),
  - Form 8332, Release of Claim to Exemption for Children of Divorced or Separated Parents, and
  - **Form 8885, Health Care Tax Credit** |

Section 13 – Electronic Signatures Specifications

03.   What is the Self-Select PIN Method?

The Self-Select PIN method is an option for taxpayers to use when signing their |
electronic tax return. The PIN is any five numbers (except ALL zeros) the |
taxpayer chooses to enter as their electronic signature. A PIN is needed for
each taxpayer if filing a joint return, and each can choose any five numbers.
If the taxpayer is filing through an Electronic Return Originator (ERO),
the taxpayer Date of Birth and Prior Year Adjusted Gross Income (AGI) from
the original return must also be entered for authentication.

Questions or comments regarding Section 13 (except IRS *e*-file Signature
Authorization and Jurat/Disclosure information in Sub-section .05-.08)
should be sent to:

Internal Revenue Service
Teara Mitchell, W:CAS:SP:IEF:P, NCFB C4-262
5000 Ellin Rd.
Lanham, MD 20706
Phone: (202) 283-0226   `

Questions or comments regarding IRS *e*-file Signature Authorization and
Jurat/Disclosure (Sub-section .05-.08) should be sent to:

Internal Revenue Service
Carol Brauzer, W:CAS:SP:IEF:R, NCFB C5-121
5000 Ellin Road
Lanham, MD 20706
Phone: (202) 283-7842

Section 13 - Electronic Signatures Specifications

.04 Data Validation

The following fields must be present for the taxpayer when using the
Self-Select PIN option for *e*-file:

Primary:

        Social Security Number
        Name Control
        Date of Birth

From Tax Year **2002** return, taxpayer's original submission prior to any |
adjustment:
        Adjusted Gross Income (AGI)

If Married Filing Joint:

        Spouse Social Security Number
        Spouse Name Control
        Spouse Date of Birth

From Tax Year **2002** return, taxpayer's original submission prior to any |
adjustment:
        Spouse Adjusted Gross Income (AGI)

If taxpayers filed a joint return in Tax Year **2002** and want to file |
separate returns for Tax Year **2003**, they will both enter the same AGI from |
the **2002** joint return on their separate returns for Tax Year **2003**. |

If taxpayers **did not** file jointly **in Tax Year 2002**, they are required to |
provide their respective AGI amount.

If a return was not filed in Tax Year **2002**, then the AGI Field is zero |
filled.

If taxpayers filed Form 1040PR in Tax Year **2002**, then the AGI field is zero. |

        Note: Taxpayers filing their **2002** tax return after November 16, **2003** |
        are eligible to use the Self-Select PIN for *e-file*. These taxpayers
        will need to submit zeroes for their Adjusted Gross Income. In the
        event their return is rejected due to a mismatch of AGI, they can
        resubmit their return using their actual values. The extract creating
        the Self-Select PIN eligibles is being created in November and due to
        processing constraints, late filers may or may not be included. Late
        filers can still use the Self-Select PIN.

Validation of Data:

Adjusted Gross Income   The AGI is entered in whole dollar
                               amounts. There will be a one dollar
                               tolerance level.

04.   Data Validation (continued)

Date of Birth   An exact match on day, month and year against Social
                   Security Administration records is required for all
                   on-line returns with or without the Self-Select PIN
                   usage. If a married filing joint (MFJ) return is filed
                   through a practitioner electronically and taxpayer(s)
                   uses the Self-Select PIN(s) to sign their return, the
                   primary and secondary taxpayer's date of birth are
                   required. However, their tax return will not reject
                   if the Dates of Birth do not match. The Date of Birth
                   Validity Code (Field 0117) will be present in the
                   Acknowledgement Record. The Date of Birth Validity
                   Code identifies whether validation of the Date of
                   Birth (DOB) is required and if the DOB is required,
                   whether the DOB matched on the IRS File or not.

PIN   The Personal Identification Number (PIN) is self-selected by
                   the taxpayer. A PIN is required for the primary and secondary
                   taxpayer. PIN is composed of 5 digits. All zeroes are not
                   permitted. The spouse can use the same PIN as the primary.

.05 IRS *e*-file Signature Authorizations

   1. Form 8879, IRS *e*-file Signature Authorization, is used to
       authorize an Electronic Return Originator to enter the taxpayer's
       self-select personal identification number (PIN) as the taxpayer's
       signature on electronically filed Forms 1040, 1040A, and 1040EZ
       income tax returns. Form 8879 is provided as a convenience when
       the taxpayer is unavailable or unable to return to the office,
       or it is inconvenient to personally sign the electronically prepared
       income tax return.

   2. The practitioner will provide Form 8879 to the taxpayer along with
       a copy of the completed tax return personally or by U.S. mail, private
       delivery service, e-mail, or an Internet web site. Upon review of
       their tax return, the taxpayer(s) complete Part II of Form 8879 with
       their PIN, signature and date. The taxpayer must return the form to the
       ERO either personally, by U.S. mail, private delivery service, or FAX
       transmission. The ERO must retain the completed Form 8879 as instructed
       on the form.

   3. Form 8878, IRS *e-file* Signature Authorization on Application for
       Extension of Time to File, is used for taxpayers to authorize the
       ERO to enter the taxpayer Self-Select PIN on one of several
       extension of time to file applications processed through Electronic
       Transmitted Documents (ETD) programs. Form 8879 procedures above
       also apply to Form 8878.

   4. **Beginning in Tax Year 2003, Electronic Funds Withdrawals accompanying** |
       Form 4868 can be signed using the Practitioner PIN method. A Form 8878 |
       must be completed by all taxpayers who use this method. See Part III |
       of this publication for additional information on ETD programs. |

Section 13 – Electronic Signatures Specifications

.05 **IRS _e_-file Signature Authorizations (continued)**

5. When finalized, Forms 8879 and 8878 and instructions for use with
    Tax Year 200**3** _e_-file will be available on the IRS website, The |
    Digital Daily, at www.irs.gov (click on "Forms and Pubs", then
    "Forms and Instructions"). Tax year 200**3** forms will be posted |
    on the website as soon as possible; however, they may not be
    available at the time this document is published.

6. Exhibits of Forms 8879 and 8878 will also be included in
    Publication 1345A, Filing Supplement for Electronic Return
    Originators (TY 200**3**). |

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Section 13 – Electronic Signatures Specifications

.06   Jurat/Disclosure Guidelines

1. This section provides guidelines for the jurat/disclosure language
    that is to be included in software packages for electronically filed
    returns.

2. In all instances, the appropriate jurat/disclosure text must be
    provided to taxpayers prior to the presentation of fields used to
    enter signature(s) (e.g. PIN) and related authentication information
    (e.g. Date of Birth and Adjusted Gross Income).

3. **It is imperative that all taxpayers who use the Electronic Funds**
    Withdrawal feature are provided with the appropriate Electronic Funds
    Withdrawal (EFW) text for their review. Only the approved EFW text
    displayed in this publication is to be used. The approved EFW text
    (selection D1) is displayed separately and has not been included in
    samples for Jurat/Disclosure Version A-D provided.

4. On-line software products must provide the capability for taxpayers
    to view the jurat/disclosure statements on the input screen.

5. Software products intended for use by tax professionals may also
    provide functionality to print a graphic equivalent of the
    jurat/disclosure statements for taxpayers to sign as an alternative
    to viewing and signing the statement on the input screen. A graphic
    equivalent may be appropriate when the taxpayer will not be present
    to review the completed return in the presence of the ERO, and has
    elected to authorize the ERO to enter the taxpayer(s) Self-Select PIN(s).

6. The jurat/disclosure text selections are located in Section 13.07 of
    this document. Samples of the jurat/disclosure versions A-D are
    included in Section 13.08.

7. Beginning Tax Year 2002, certain Decedent returns Forms 1040, 1040A, and
    1040EZ were accepted into *e*-file. New text Selection T8 must be included
    for decedent returns filed with Form 1310, Statement of Person Claiming
    Refund Due a Deceased Taxpayer. If both taxpayers on a refund return are
    deceased, a Form 1310 and selection T8 must be completed for each decedent.

8. Use the guidelines below, and notes on the text selections for jurat
    entry field format.

Jurat Entry Field Format Guidelines			
Field	Length	Characters	Format/Notes
Dates – (e.g. signature dates, Date of Birth)	Eight	All numeric	MMDDYYYY *(must convert to YYYYMMDD for record layouts)*
Taxpayer's PIN	Five	All numeric	Cannot be all zeroes
ERO or Paid Preparer PIN	Eleven	All numeric	First six positions = Electronic Filing Identification Number (EFIN); last five positions = Self-Selected numerics
Money Fields	Twelve maximum	All numeric	Dollars ONLY, zero fill if no prior year AGI

.06 Jurat/Disclosure Guidelines (continued)

9. The following table includes the valid Jurat Disclosure Codes for
    electronically filed Tax Year 200**3** Forms 1040, 1040A and 1040EZ. |
    The codes (e.g. P1,C1,T1) in the third column identify the possible
    selections for each jurat version.

10. **Some text selections are required only when a specific condition** |
    exists. The jurat version display pages include a reference to |
    these selections. Complete text is displayed on the page entitled |
    "Special Condition Text Selections". Text for these selections |
    MUST BE included when they apply to the taxpayer's filing situation. |
    For example, include Selection D1 for all returns with an |
    Electronic Funds Withdrawal (EFW), and use Selection T8 for decedent |
    returns when a Form 1310 is attached. |

Tax Year 2003 Jurat Disclosure Codes Form 1040 Series – Forms 1040, 1040A, and 1040EZ			
Jurat/ Disclosure Code	**Title**	**Required Screen/ Graphic Selections**	**Comments**
A	**On-Line Self-Select PIN Form 1040,A,EZ** • Without electronic funds withdrawal • If Decedent return with Form 1310 attached, also include… • With electronic funds withdrawal	 P1,C1,T1 T8 P1,C1,D1, T1	**Prepared by:** Taxpayer on personal computer **Transmitted by:** Intermediate Service Provider (ISP) or transmitter **Signatures:** Taxpayer(s) – Self-Select PIN
B	**Regular On-Line Filing Form 1040,A,EZ** • Without electronic funds withdrawal • If Decedent return with Form 1310 attached, also include… • With electronic funds withdrawal	 C1,T2 T8 C1,D1,T2	**Prepared by:** Taxpayer on personal computer **Transmitted by:** ISP or transmitter **Signatures:** Form 8453-OL required Taxpayer(s) do not use Self-Select PIN
C	**Self-Select PIN by ERO Form 1040,A,EZ** • Without electronic funds withdrawal • If Decedent return with Form 1310 attached, also include… • With electronic funds withdrawal	 E1,P1,C1, T1 T8 E1,P1,C1, D1,T1	**Prepared by:** Preparer/ERO **Transmitted by:** ERO **Signatures:** Taxpayer(s) – Self-Select PIN ERO – EFIN/PIN
D	**Practitioner PIN Method Form 1040,A,EZ** • Without electronic funds withdrawal • If Decedent return with Form 1310 attached, also include… • With electronic funds withdrawal	 E1,P1,C1, T6 T8 E1,P1,C1, D1,T6	**Prepared by:** Preparer/ERO **Transmitted by:** ERO **Signatures:** Taxpayer(s) – Self-Select PIN Paid Preparer's EFIN/PIN NOTE: Form 8879, IRS **e**-file Signature Authorization, Including Part III, is required. Taxpayer prior year return Information and Date of Birth not required.
Blank			Form 8453 is required.

Section 13 – Electronic Signatures Specifications

.07   **Jurat Language Text Selections**

1.   This section identifies the various Perjury, Consent to Disclosure, and Electronic Funds Withdrawal (EFW) text selections (components) used to develop jurat language statements for electronic filing tax preparation software.

2.   The software shall provide the capability to incorporate these statements into the appropriate jurat text for presentation to taxpayer(s) for their review.

3.   Use the table in .06 above and the displays in this section to determine the appropriate components or building blocks to develop jurat statements for Form 1040 series returns.

4.   Jurat language and related requirements used only for documents submitted the Electronically Transmitted Documents (ETD) system through are included in Part III of this document.

<center>**Perjury Statement Selections**</center>

Selection P1
Perjury Statement – use this selection when electronically filing
Form 1040, 1040A, or 1040EZ with Self-Select PIN

Perjury Statement
Under penalties of perjury, I declare that I have examined this return, including any accompanying statements and schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

Selection P2 (Reserved)

Selection P3 (ETD only) See Part III of this document

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections (continued)

.
                              Consent to Disclosure Selections

A Consent to Disclosure is to be included on the screen for all electronically
filed returns and documents.

Selection C1
Consent to Disclosure - use this selection for electronically file Form 1040
Series returns

Consent to Disclosure I consent to allow my Intermediate Service Provider, transmitter, or Electronic Return Originator (ERO) to send my return/form to IRS and to receive the following information from IRS: 1) acknowledgment of receipt or reason for rejection of transmission; 2) refund offset; 3) reason for any delay in processing or refund; and, 4) date of any refund.

Selection C2 (ETD only) See Part III of this document

ERO Declaration

Selection E1
RO Declaration and Signature - use this selection and ERO PIN entry when return
is transmitted by an Electronic Return Originator (ERO). For use with Self-Select
and Practitioner PIN methods.

ERO Declaration I declare that the information contained in this electronic tax return is the information furnished to me by the taxpayer. If the taxpayer furnished me a completed tax return, I declare that the information contained in this electronic tax return is identical to that contained in the return provided by the taxpayer. If the furnished return was signed by a paid preparer, I declare I have entered the paid preparer's identifying information in the appropriate portion of this electronic return. If I am the paid preparer, under the penalties of perjury I declare that I have examined this electronic return, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information of which I have any knowledge. **ERO Signature** **I am signing this Tax Return by entering my PIN below.** **ERO's PIN**   _ _ _ _ _ _ _ _ _   (enter EFIN plus 5 Self-Selected numerics)

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections (continued)

Electronic Funds Withdrawal Consent Selections

Include an Electronic Funds Withdrawal Consent statement only when taxpayer has selected the Electronic Funds Withdrawal option

Selection D1
Electronic Funds Withdrawal Consent for Forms 1040, 1040A, or 1040EZ
Statement MUST BE included with all Electronic Funds Withdrawal (EFW) returns |

Electronic Funds Withdrawal Consent

I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH Electronic Funds Withdrawal (Direct Debit) entry to the financial institution account indicated for payment of my Federal taxes owed on this return and/or a payment of estimated tax. I further understand that this authorization may apply to subsequent Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate subsequent payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

Selection D2 (ETD only) See Part III of t*his document*

Selection D3 (ETD only) See Part III of this document

Section 13 – Electronic Signatures Specifications

.07   Jurat Language Text Selections (continued)

Taxpayer Signature Selections

Selection T1
Use this signature selection when filing a Form 1040, 1040A, or 1040EZ and a Self-Select PIN will be used to sign the return

```
I am signing this Tax Return/Form and Electronic Funds Withdrawal Consent, if
applicable, by entering my Self-Select PIN below.
----------------------------------------------------------------------------
Taxpayer's PIN: _ _ _ _ _                        Date:_ _ _ _ _ _ _ _
Taxpayer's Date of Birth: _ _ _ _ _ _ _ _
Taxpayer's Prior Year Adjusted Gross Income:  _ _ _ _ _ _ _ _ _ _ _ _
Spouse's PIN: _ _ _ _ _
Spouse's Date of Birth: _ _ _ _ _ _ _ _
Spouse's Prior Year Adjusted Gross Income: _ _ _ _ _ _ _ _ _ _ _ _
```

Selection T2
Use this signature selection when filing a Form 1040, 1040A, or 1040EZ On-Line and using Form 8453-OL to sign the return

```
I am transmitting this Tax Return and signing this Electronic Funds Withdrawal
Consent, if applicable, by entering my Date of Birth below.
----------------------------------------------------------------------------
Taxpayer's Date of Birth (DOB): _ _ _ _ _ _ _ _        Date:_ _ _ _ _ _ _ _
Spouse's Date of Birth:_ _ _ _ _ _ _ _
```

Selection T3 (ETD only) See Part III of this document

Selection T4 (ETD only) See Part III of this document

Section 13 – Electronic Signatures Specifications

.07   **Jurat Language Text Selections (continued)**

Selection T5 (ETD only) See Part III of this document
Reserved – not available for Tax Year 2003 |

Selection T6
Use this signature selection for returns filed using the Practitioner PIN method.
ERO is required to retain Form 8879, IRS e-file Signature Authorization, that
has been signed by the taxpayer(s)

```
I am signing this Tax Return and Electronic Funds Withdrawal Consent, if
applicable, by entering my Self-Select PIN below.
-----------------------------------------------------------------------------
Taxpayer's PIN:_ _ _ _ _                              Date_ _ _ _ _ _ _ _
Spouse's PIN: _ _ _ _ _
```

Selection T7 (ETD only) See Part III of this document

Selection T8 – Decedent Returns only with Form 1310 attached
Must be included with all Decedent Returns when Form 1310 is attached. |
Use this selection only for Form 1040, 1040A, or 1040EZ Decedent returns that are
filed with a Form 1310, Statement of Person Claiming Refund Due a Deceased
Taxpayer. If both taxpayers are shown as decedents on this return, two
Forms 1310 are required, and T8 information must be completed for each decedent.

```
Form 1310 Signature and Verification
Completion of this section indicates that I am requesting a refund of taxes
overpaid by or on behalf of the decedent.  Under penalties of perjury, I
declare that I have examined this Form 1310 claim, and to the best of my
knowledge and belief, it is true, correct, and complete.
-----------------------------------------------------------------------------


_____    _ _ _ _ _ _ _ _
Signature of person claiming refund (35 character limit)      Date
```

Selection T9 (ETD only) See Part III of this document

Section 13 – Electronic Signatures Specifications

.08 e-file Jurat/Disclosure Text - Codes A-D

Tax Year 2003 Jurat/Disclosure Code A Text |
On-Line Self-Select PIN Form 1040, 1040A or 1040EZ

Perjury Statement
Under penalties of perjury, I declare that I have examined this return,
including any accompanying statements and schedules and, to the best of my
knowledge and belief, it is true, correct, and complete.

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic
Return Originator (ERO) to send my return/form to IRS and to receive the
following information from IRS: 1) acknowledgment of receipt or reason for
rejection of transmission; 2) refund offset; 3) reason for any delay in
processing or refund; and, 4) date of any refund.

Additional Statements may be required. See Special Optional Text Selections |
for Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent - MUST BE included with all returns with |
Electronic Funds Withdrawal   -|

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

**I am signing this Tax Return/Form and Electronic Funds Withdrawal Consent, if
applicable, by entering my Self-Select PIN below.**

Taxpayer's PIN: _ _ _ _ _   Date:_ _ _ _ _ _ _ _
Taxpayer's Date of Birth: _ _ _ _ _ _ _ _
Taxpayer's Prior Year Adjusted Gross Income:_ _ _ _ _ _ _ _ _ _ _ _
Spouse's PIN:_ _ _ _ _
Spouse's Date of Birth: _ _ _ _ _ _ _ _
Spouse's Prior Year Adjusted Gross Income:_ _ _ _ _ _ _ _ _ _ _ _
_____

.08   e-file Jurat/Disclosure Text - Codes A–D (continued)

Tax Year 2003 Jurat/Disclosure – Code B Text |
Regular On-Line Filing Form 1040, 1040A or 1040EZ
(Taxpayer must file Form 8453-OL)

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic
Return Originator (ERO) to send my return/form to IRS and to receive the
following information from IRS: 1) acknowledgment of receipt or reason for
rejection of transmission; 2) refund offset; 3) reason for any delay in
processing or refund; and, 4) date of any refund.

Additional Statements may be required. See Special Optional Text Selections |
for Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent – MUST BE included with all returns with |
Electronic Funds Withdrawal   –|

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

**I am transmitting this Tax Return and signing this Electronic Funds Withdrawal
Consent, if applicable, by entering my Date of Birth below.**

Taxpayer's Date of Birth (DOB): _ _ _ _ _ _ _ _ Date:_ _ _ _ _ _ _ _
Spouse's Date of Birth:_ _ _ _ _ _ _ _

Section 13 – Electronic Signatures Specifications

.08   e-file Jurat/Disclosure Text – Codes A-D (continued)

Tax Year 2003 Jurat/Disclosure – Code C Text |
Self-Select PIN by ERO Form 1040, 1040A, or 1040EZ

ERO Declaration
I declare that the information contained in this electronic tax return is the
information furnished to me by the taxpayer. If the taxpayer furnished me a
completed tax return, I declare that the information contained in this
electronic tax return is identical to that contained in the return provided by
the taxpayer. If the furnished return was signed by a paid preparer, I declare
I have entered the paid preparer's identifying information in the appropriate
portion of this electronic return. If I am the paid preparer, under the penalties of
perjury I declare that I have examined this electronic return, and to the best of my
knowledge and belief, it is true, correct, and complete. This declaration is
based on all information of which I have any knowledge.

ERO Signature
I am signing this Tax Return by entering my PIN below.

ERO's PIN   _ _ _ _ _ _ _ _ _ _ _ _
            (enter EFIN plus 5 Self-Selected numerics)

Perjury Statement
Under penalties of perjury, I declare that I have examined this return, including any
accompanying statements and schedules and, to the best of my knowledge and belief, it
is true, correct, and complete.

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic
Return Originator (ERO) to send my return/form to IRS and to receive the following
information from IRS: 1) acknowledgment of receipt or reason for rejection of
transmission; 2) refund offset 3) reason for any delay in processing or refund;
and, 4) date of any refund.

Additional Statements may be required. See Special Optional Text Selections |
for Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent - MUST BE included with all returns with |
Electronic Funds Withdrawal   –|

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

I am signing this Tax Return and Electronic Funds Withdrawal Consent, if applicable,
by entering my Self-Select PIN below.

Taxpayer's PIN:_ _ _ _ _   Date:_ _ _ _ _ _ _ _
Taxpayer's Date of Birth: _ _ _ _ _ _ _ _
Taxpayer's Prior Year Adjusted Gross Income:_ _ _ _ _ _ _ _ _ _ _
Spouse's PIN: _ _ _ _ _
Spouse's Date of Birth: _ _ _ _ _ _ _ _
Spouse's Prior Year Adjusted Gross Income: _ _ _ _ _ _ _ _ _ _ _

Section 13 – Electronic Signatures Specifications

.08   *e-file Jurat/Disclosure Text – Code A–D (continued)*

Tax Year 2003 Jurat/Disclosure – Code D Text |
Practitioner PIN Method Form 1040, 1040A, or 1040EZ
Form 8879, IRS *e*-file Signature Authorization required

ERO Declaration
I declare that the information contained in this electronic tax return is the
information furnished to me by the taxpayer. If the taxpayer furnished me a
completed tax return, I declare that the information contained in this
electronic tax return is identical to that contained in the return provided by
the taxpayer. If the furnished return was signed by a paid preparer, I declare
I have entered the paid preparer's identifying information in the appropriate
portion of this electronic return. If I am the paid preparer, under the
penalties of perjury I declare that I have examined this electronic return, and
to the best of my knowledge and belief, it is true, correct, and complete.
This declaration is based on all information of which I have any knowledge.

ERO Signature
I am signing this Tax Return by entering my PIN below.

ERO's PIN   _ _ _ _ _ _ _ _ _ _
               (enter EFIN plus 5 Self-Selected numerics)

Perjury Statement
Under penalties of perjury, I declare that I have examined this return,
including any accompanying statements and schedules and, to the best of my
knowledge and belief, it is true, correct, and complete.

Consent to Disclosure
I consent to allow my Intermediate Service Provider, transmitter, or Electronic
Return Originator (ERO) to send my return/form to IRS and to receive the
following information from IRS: 1) acknowledgment of receipt or reason for
rejection of transmission; 2) refund offset; 3) reason for any delay in
processing or refund; and, 4) date of any refund.

Additional Statements may be required. See Special Optional Text Selections |
for Jurat/Disclosure Codes A – D in this section.

Electronic Funds Withdrawal Consent – MUST BE included with all returns with |
Electronic Funds Withdrawal

Form 1310 Signature and Verification – Decedent returns with Form 1310 only.

I am signing this Tax Return and Electronic Funds Withdrawal Consent, if applicable,
by entering my Self-Select PIN below.

Taxpayer's PIN:_ _ _ _ _   Date: _ _ _ _ _ _ _ _
Spouse's PIN: _ _ _ _ _
_____

Section 13 – Electronic Signatures Specifications

.08 *e-file* Jurat/Disclosure Text – Code A–D (continued)

Special Condition Text Selections
Use with Jurat/Disclosure Codes A – D
Tax Year 2003

The Special Condition Text Selections below are to be used with
Jurat/Disclosure Code A – D as appropriate. These statements do not have to
be provided to all taxpayers, but they MUST be provided when the Special
Condition applies. For example, the Electronic Funds Withdrawal (EFW) Consent
statement below must be provided to all taxpayers who elect the EFW option.
The jurat language A – D displays on the previous pages refer to the text
below but do not include the entire text in the display.

Selection D1
Electronic Funds Withdrawal Consent for Forms 1040, 1040A, and 1040EZ (Include
statement only with Electronic Funds Withdrawal returns)

Electronic Funds Withdrawal Consent
I authorize the U.S. Treasury and its designated Financial Agent to initiate an
ACH Electronic Funds Withdrawal (Direct Debit) entry to the financial
institution account indicated for payment of my Federal taxes owed on this
return and/or a payment of estimated tax. I further understand that this
authorization may apply to subsequent Federal tax payments that I direct to be
debited through the Electronic Federal Tax Payment System (EFTPS). In order
for me to initiate subsequent payments, I request that the IRS send me a
personal identification number (PIN) to access EFTPS. This authorization is to
remain in full force and effect until I notify the U.S. Treasury Financial
Agent to terminate the authorization. To revoke a payment, I must contact the
U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days
prior to the payment (settlement) date. I also authorize the financial
institutions involved in the processing of the electronic payment of taxes
to receive confidential information necessary to answer inquiries and resolve
issues related to the payment.

Selection T8 – Decedent Returns only with Form 1310 attached
Use this selection only for Form 1040, 1040A, or 1040EZ Decedent returns that
are filed with a Form 1310, Statement of Person Claiming Refund Due a Deceased
Taxpayer. If both taxpayers are shown as decedents on the return, two Forms 1310
are required, and T8 must be completed for each decedent.

Form 1310 Signature and Verification
Completion of this section indicates that I am requesting a refund of taxes
overpaid by or on behalf of the decedent. Under penalties of perjury, I
declare that I have examined this Form 1310 claim, and to the best of my
knowledge and belief, it is true, correct, and complete.

_____   _ _ _ ____ _ _ _
Signature of person claiming refund (35 character limit)   Date

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Section 13 – Electronic Signatures Specifications

09.   Validation of Electronic Signatures for _e-file_

The following Error Reject Codes are used for electronic signatures:

NOTE: Error reject code definitions can be found in Publication 1346, |
**   Attachment 1. |**

01.   General Error Reject Code for Electronic Signature |
**   ERC 0689 |**

02.   On-Line PIN Error Reject Codes |
**   ERC 0673, 0681, 0682 and 0696 |**

03.   Practitioner PIN Error Reject Codes |
**   ERC 0695, 0697, 0698 and 0699 |**

04.   Self-Select PIN |
**   ERC 0670, 0671 and 0694 |**

05.   The following error reject codes are valid for On-Line, Practitioner |
**   and Self-Select PIN methods: |**

**   ERC 0668, 0669, 0672, 0674, 0675, 0676, 0677, 0678, 0679, 0680, |**
**   0683 and 0684 |**

Section 13 – Electronic Signatures Specifications

.10 Self-Select PIN Method Questions and Answers

1.   What is the Self-Select PIN?

The Self-Select PIN method (Personal Identification Number) allows taxpayers to electronically sign their e-filed return by selecting a five-digit PIN. The five-digit PIN can be any five numbers except all zeros. It eliminates the requirement for Form 8453, U.S. Individual Income Tax Declaration for an IRS *e-file* Return, in most cases, making e-filing returns TRULY PAPERLESS for most taxpayers.

2.   Who is eligible to use the Self-Select PIN method to sign their return?

The following taxpayers are eligible to use the Self-Select PIN method:

- Taxpayers who are eligible to file Forms 1040, 1040A, or 1040EZ or Telefile for Tax Year 2003.
- Taxpayers who filed Form 1040-PR for TY 2002, who are eligible to file Form 1040 for Tax Year 2003.
- Taxpayers who did not file for Tax Year 2002, but have filed previously.
- Taxpayers who are 16 or older on or before **December 31, 2003**, who have | never filed a tax return.
- Taxpayers under age 16, filing as Primary Taxpayers, who have filed previously.
- Taxpayers under age 16, filing as Secondary Taxpayers (spouse), who filed in the immediate prior year.
- Military personnel residing overseas with APO/FPO addresses.
- Taxpayers residing in the American Possessions of the Virgin Islands, Puerto Rico, America Samoa, Guam and Northern Marianas, or with foreign country addresses.
- Taxpayers filing Form 4868 (extension of time to file), Form 2688 (additional extension of time to file) or Form 2350 (extension for certain U.S. citizens living aboard).
- Those who are filing on behalf of deceased taxpayers.

3.   Are there any taxpayers not eligible to use the Self-Select PIN method?

The following taxpayers are not eligible to use the Self-Select PIN method:

- Primary Taxpayers under age 16 that have never filed.
- Secondary Taxpayers (spouse) under age 16 that did not file in the immediate prior year.
- Taxpayers who filed Forms 1040-NR or 1040-SS for Tax Year 2002.
- Taxpayers whose returns require attachments other than Form W-2, W-2G,   -| or 1099-R; Taxpayers required to file the following forms:

  - Form 3115, Application for Change in Accounting Method,
  - Form 3468, Computation of Investment Credit (if attachment is required),
  - From 5713, International Boycott Report,
  - Form 8283, Non-Cash Charitable Contributions (if using Part B),
  - Form 8332, Release of Claim to Exemption for Children of Divorced or Separated Parents, and
  - **Form 8885, Health Coverage Tax Credit** |

.10 Self-Select PIN Method Questions and Answers (continued)

4.   What if the taxpayer did not bring in last year's tax return or the taxpayer is a new client? How can they get the original Adjusted Gross Income (AGI)?

The taxpayer may call the IRS toll free number at 1-800-829-1040. If they can provide certain information to the Customer Service Representative (such as their name, SSN and current address), they may receive the original AGI amount over the phone or they may request a free transcript. Allow 7 to 10 days to receive the transcript. (Taxpayer should be sure to ask for the Original AGI so they can file electronically using a Self-Select PIN)

5.   If the taxpayer has never filed a tax return or did not need to file a tax return for Tax Year 2002, what amount do they enter for the original AGI?

Enter zero ("0") for the original AGI. Do not leave this field blank.   The return will reject if the field is left blank for a zero amount.

6.   If the taxpayer changed filing status from their 2002 tax return, what Adjusted Gross Income (AGI) do I use?

If the change is *to* Married Filing Jointly, then each taxpayer will use their individual original Adjusted Gross Income from their respective 2002 tax returns. If the change is *from* Married Filing Jointly, then both taxpayers will use the same original Adjusted Gross Income from the 2002 joint return.

7.   What AGI amount should be used for a taxpayer that filed jointly with a different spouse in the prior year?

Use the AGI amount from the joint return filed with the ex-spouse.

8.   What AGI amount should be used when one taxpayer of the joint return earned all the wages?

Both taxpayers on the joint return will use the FULL AGI amount from the originally filed return. The AGI amount should not be allocated between the primary and the spouse.

9.   If my client filed an amended tax return last year, what AGI amount should they use?

Your client must use the Original AGI amount from the originally filed return. The return will reject if the amended AGI amount is used.

10. If the taxpayer does not want to use the PIN, can they still file their return electronically?

Yes, have the taxpayer sign Form 8453, U.S. Individual Income Tax Declaration for *e*-file Return, and mail it to the IRS within the prescribed time.

11. If the taxpayer uses a PIN and owes taxes, can they pay the balance due electronically?

Yes. Taxpayers who use a PIN may pay their balance due by electronic funds withdrawal or credit card.

.10 Self-Select PIN Method Questions and Answers (continued)

12. Is the Self-Select PIN a Universal PIN?

No. It is used as the taxpayer's electronic signature on their 2003 Individual Income Tax Return only.

13. Can the taxpayer use the same PIN next year?

Yes, or they may choose any 5 numbers except all zeroes.

14. What happens if two taxpayers select and use the same PIN?

The taxpayers' personal information includes the Social Security Number, Date of Birth and Adjusted Gross Income from the 2002 tax return along with their PIN. The IRS will verify the personal information provided by the taxpayer's return and have the PIN as the electronic signature.

15. My client received a Telefile Tax Package but can't use it and wants to use the PIN. Can they use their Customer Service Number (CSN) as their PIN?

Yes, or they can choose any 5 numbers they want (except all zeros).

16. Do both taxpayers filing a joint return need a PIN?

Yes, each taxpayer must sign using a PIN. The taxpayers will choose any five numbers (except all zeros) as the electronic signatures.

17. What should I do if my client is unable to return to my office to input his/her PIN?

Your client may authorize you to input his/her PIN by completing Form 8879, IRS *e*-file Authorization. Provide Form 8879 to the taxpayer along with a copy of the completed tax return, either personally or by mail. Instruct your client to review the tax return for accuracy and complete the Form 8879 by providing the requested information (a self-selected five-digit PIN, pen and ink signature, and date). If your client is unable to return the signed Form 8879 to your office, he/she may return it by mail or FAX.

18. What is Form 8879, IRS e-file Signature Authorization?

Form 8879, IRS e-file Signature Authorization allows the tax professional to input the taxpayer's PIN. It is provided as a convenience for taxpayers that are unavailable to personally enter their PIN.

19. Where can I obtain a copy of Form 8879?

Some tax preparation software includes Form 8879, IRS e-file Signature Authorization format. A copy can also be obtained from the IRS website, www.irs.gov.

20. Must I use Form 8879 for every e-file return?

No. Form 8879 is only required when one or both taxpayers are unavailable to personally enter their PIN.

21. Can the taxpayer give me their PIN verbally for me to enter in their presence?

No. The taxpayer must personally enter the PIN or complete Form 8879 to authorize you, the tax professional, to enter the PIN.

.10 **Self-Select PIN Method Questions and Answers (continued)**

22. Can a married taxpayer filing a joint return pick the PIN and enter it for his/her spouse?
No. The taxpayer that is not present to personally enter their PIN must complete Form 8879 to authorize their tax professional to input the PIN for them.

23. Do both taxpayers filing a joint return have to authorize that tax professional to input their PINs?

No, only the taxpayer that is not present to sign the return should authorize the preparer to enter their PIN. If neither spouse is present to sign a joint return, each can authorize the preparer to enter his/her respective PIN. But a spouse who is present should enter his/her own PIN, even if the preparer has authorization to enter the other spouse's PIN.

24. What is my responsibility as a return preparer using Form 8879?

As a return preparer, your responsibility is to provide the taxpayer with Form 8879 along with their return for review. You are required to generate or enter the header information, all five line items in Part I, and the ERO firm name in Part II.

25. What is my responsibility as an ERO using Form 8879 when the taxpayer completed their own return.

As an ERO, your responsibility will be to complete Form 8879 based on the return information you received from the taxpayer.

26. When does the taxpayer sign Form 8879?

If you prepared the return, the taxpayer will sign Form 8879 and select a PIN after they have reviewed the prepared return. If the taxpayer provided a completed return for transmission, the Form 8879 and PIN selection can be completed without reviewing the electronic return. The taxpayer must sign the Form 8879 prior to the transmission of the return to the IRS.

27. Can a taxpayer complete Form 8879 and fax it to the ERO?

Yes. Form 8879 can be signed and returned to the ERO via fax transmission. However, the ERO must retain Form 8879 in their file for three years from the Return Due Date or IRS Received Date, whichever is later.

28. Do I provide a copy of the completed Form 8879 to the taxpayer for their records?

Provide a copy of the completed Form 8879 for those taxpayers requesting one. You may provide a copy to other taxpayers, but you are not required to do so.

.10 Self-Select PIN Method Questions and Answers (continued)

29. Can a preparer enter the taxpayer's PIN on an Application for Extension of Time to File?

Yes. Form 8878, IRS e-file Signature Authorization for Application for Extension of Time to File is available for taxpayers to authorize the ERO input of their PIN on Forms 4868, 2688, and 2350. Form 8878 is included in some software packages.

30. Do I have to mail Form 8879 or Form 8878 to the IRS?

No. Retain the completed Form 8879 and Form 8878 in your file for three years from the Return Due Date or IRS Received Date, whichever is later.

31. Is it acceptable for an Electronic Return Originator (ERO) to electronically image and store Form 8879, IRS e-file Signature Authorization, and Form 8878, IRS e-file Signature Authorization for Application for Extension of Time to File, and meet the document retention requirement?

Yes, an ERO may electronically image and store Forms 8879 and 8878 if the ERO's storage system satisfies the requirements of Rev. Proc. 97-22, Retention of Books and Records. In brief, Rev. Proc. 97-22 requires that the electronic storage system must ensure an accurate and complete transfer of the hard copy or computerized records to an electronic storage media. In addition, all records reproduced by the electronic storage system must exhibit a high degree of legibility and readability (including the taxpayer's signature) when displayed on a video display terminal and when reproduced in hard copy.

32. Can I submit the same Self-Select PIN for all returns I transmit?
No. The taxpayer decides what numbers they want for their PIN. It is not chosen by the tax professional.

33. How do I know the IRS received the Self-Select PIN?

When you receive your Acknowledgement Record, all accepted returns will have the Self-Select PIN Presence Indicator. The following value will be returned:

"0" = No PIN. 8453 or 8453-OL Required
"1" = Practitioner PIN
"2" = Self-Select PIN by Practitioner Used
"3" = Self-Select PIN by On-Line Used
"4" = State Only, No PIN. 8453 or 8453-OL is Not Required.
"Blank" = Return Rejected with PIN

34. What is an ERO PIN?

The ERO PIN is an electronic signature used by the ERO (along with the taxpayer's PIN) to eliminate a paper Form 8453. For consistency, each ERO is encouraged to use the same 11 numbers for their PIN on all returns for this filing season. The first 6 positions of your ERO PIN must be your EFIN and it must match the DCN. You may select any 5 numbers (except all zeros) for the next five positions.

35. Will the ERO PIN be acknowledged as well?

If the ERO PIN is not present, the return will reject displaying an error reject code.

.10 Self-Select PIN Method Questions and Answers (continued)

36. Where can I receive a copy of the Error Reject Codes for the Self-Select PIN method?

The Error Reject Codes can be found in the <u>Publication 1345A</u>, Filing Season Supplement for Authorized IRS e-file Providers.

37. Why is a Date of Birth required with Self-Select PIN method?

The Date of Birth is required as part of the authentication process for the taxpayer. It will be matched against Social Security Records. The return will not be rejected this year if the Date of Birth does not match. However, the Acknowledgement Record will contain the field Date of Birth Validity Code. It will advise you if the dates of birth submitted were valid or mismatched. The following values will be returned.


```
0 = Date of Birth Validation Not Required
1 = All Dates of Birth Valid
2 = Primary Date of Birth Mismatch
3 = Spouse Date of Birth Mismatch
4 = Both Dates of Birth Mismatch
```

Section 13 – Electronic Signatures Specifications

.11 Practitioner PIN Method Questions and Answers

1.   What is the Practitioner PIN?

The Practitioner PIN is an additional signature method for taxpayers
that use an Electronic Return Originator (ERO) to sign their return by
entering a five digit PIN. The PIN can be any five numbers except ALL zeros.

2.   Do I need any specific forms to use the Practitioner PIN?

Taxpayers must complete Form 8879, IRS *e-file* Signature Authorization, for
returns using the Practitioner PIN. Taxpayers can either enter their own
PIN or authorize the ERO to enter their PIN for them when completing
Form 8879.

3.   Who is eligible to use the Practitioner PIN?

Taxpayers that are eligible to file Forms 1040, 1040A, 1040EZ, or Tele-file
are eligible to use the Practitioner PIN method. There is no age limit on
who can use the Practitioner PIN.

4.   Who is ineligible to use the Practitioner PIN?

Taxpayers required to attach Form 3115, Form 3468- Historic Structure
Certificate, Form 8283-Section B, Form 8332, Form 5713 and/or Form 8609 to
their return are ineligible to use the Practitioner PIN.

5.   How does the Practitioner PIN method benefit the ERO?

The Practitioner PIN offers an additional signature option for EROs to use
in preparing and transmitting Forms 1040/A/EZ to IRS. More specifically,
it eliminates the Form 8453 by providing a totally paperless e-filed return.

- The Date of Birth nor the Adjusted Gross Income amount is needed
  for Practitioner PIN returns

6.   As an ERO, do I need an agreement with IRS to use the Practitioner PIN?

No. Previously, the Practitioner PIN was limited to EROs who had an
agreement with IRS to participate in the method, however beginning in
PY 2003, the Practitioner PIN will be open to all EROs.

**7. Is there an authorization form required for filing Form 4868 using the |
Practitioner PIN method? |**

**Yes. Complete Form 8878, for Forms 4868 filed using the Practitioner PIN |
method. Remember that a signature is only required on Form 4868 when there |
is an Electronic Funds Withdrawal. |**

8. What is my responsibility as an ERO using the Practitioner PIN?
EROs are required to sign Form 8879, Part III, inputting their ERO EFIN/PIN
for all returns using the Practitioner PIN. The ERO EFIN/PIN consist of
eleven digits (the first six positions is the EFIN and the last five is
any five numbers except ALL zeros). EROs should confirm the identity of
taxpayers per Publication 1345 when completing Form 8879, prior to
transmitting returns to IRS.

.11 Practitioner PIN Method Questions and Answers (continued)

9.   Do I mail Form 8879 or Form 8878, IRS e-file Signature Authorization, |
to the IRS?

No. Do not mail Form 8879 and **Form 8878** to the IRS. EROs using the |
Practitioner PIN method must retain Forms 8879 for three years from the
return due date or IRS received date, whichever is later.

10.   Will receive an Acknowledgment that the Practitioner PIN was used?

Yes. A PIN Presence Indicator of "1" will be present in the Acknowledgment
File Key Record of a return when the Practitioner PIN is used. Please be
sure to check the Acknowledgment File for the PIN Presence Indicator on all
returns transmitted using a PIN signature.

11. Where can I find the Error Reject Codes for the Practitioner PIN?

The Error Reject Codes can be found in the Publication 1345A, Filing Season
Supplement for Authorized IRS *e-file* Providers and in Section 10 of this
publication.